HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING
AUGUST 27, 2014
APPLICATION SUMMARY

NAME OF PROJECT:	BHG Jackson Treatment Center
PROJECT NUMBER:	CN1405-014
ADDRESS:	58 Carriage House Drive, Suites A and B Jackson (Madison County), Tennessee 38305
LEGAL OWNER:	VCPHCS XIX, LLC c/o Behavioral Health Group 8300 Douglas Avenue, Suite 750 Dallas (Dallas County), Texas 75225
OPERATING ENTITY:	Not Applicable
CONTACT PERSON:	John Wellborn (615) 665-2022
DATE FILED:	May 15, 2014
PROJECT COST:	$1,274,050
FINANCING:	Cash Reserves of Applicant's Parent Entity
PURPOSE OF REVIEW:	Relocation of a non-residential substitution-based treatment center for opiate addiction

DESCRIPTION:

The applicant is seeking approval for the relocation of an existing non-residential substitution-based treatment center for opiate addiction from 1869 Highway 45 Bypass, Suite 5, Jackson (Madison County), TN 38305 to 58 Carriage House Drive, Suites A & B, Jackson (Madison County), TN 38305, which is a distance of 1.5 miles. The new facility will occupy 5,322 SF of a 10,137 SF one-story structure. The facility will be licensed by the Tennessee Department of Mental Health and Substance Abuse Services as an Alcohol and Drug Non-Residential Opiate Treatment Facility. The applicant projects the proposed new location will open for service in January 2016.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

The following apply:

For relocation or replacement of an existing licensed health care institution:

a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

The existing building has developed roof leaks and Heating, Ventilation, and Air Conditioning (HVAC) problems. The current building was built in 1979 and has not been renovated. Building improvements and maintenance requested by the applicant has not been addressed by the building lessor. The applicant chose to lease a newly renovated building in a new location to avoid the costs of new construction. The lease cost of $14.00 PSF at the proposed site is slightly higher than the cost at the current location of $12.21 PSF. The proposed building is in excellent condition.

It appears that this criterion has been met.

b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

BHG Jackson Treatment Center projects maintaining the current utilization level for the next 3 years; an average daily patient census of 295 patients is projected for the years 2014, 2015, and 2016, respectively.

It appears that this criterion has been met.

Summary:

BHG Jackson Treatment Center is seeking certificate of need approval to relocate its existing non-residential substitution-based treatment center for opiate addiction and continue to assist eligible opiate-addicted individuals residing in Madison County to abstain from the use of illicit drugs through detoxification, treatment and substance abuse/psychiatric counseling services. The clinic will operate as a private, for-profit clinic under all applicable licensure requirements of the Tennessee Department of Mental Health and Substance Abuse Services. BHG Jackson Treatment Center will operate without state, federal, or local funding. The relocation of the program will not impose any new costs that will impact the charge structure of the program and will not change the program's services or utilization.

Note to Agency members: Effective April 1, 2008, the Division of Substance Abuse Services assumed responsibility for oversight of Tennessee's Opioid Treatment Programs (also known as "medication assisted treatment programs"). The State Opioid Treatment Authority within the Department of Mental Health and Substance Abuse Services is responsible for program oversight and clinical assistance. Specifically, the State Opioid Treatment Authority is responsible for providing administrative, medical, and pharmaceutical oversight to certified OTPs, including, but not limited to planning, developing, educating, and implementing policies and procedures to ensure that opioid addiction treatment is provided at an optimal level. Tennessee has twelve (12) for-profit methadone clinics.
Source: http://www.tennessee.gov/mental/A&D/SOTA.html

The services to be provided directly by the proposed clinic will include but not be limited to: individual and group counseling, opioid substitution treatment, opioid medically supervised withdrawal, physical examinations, lab tests, urine drug screens, minor medical services and referrals, substance abuse assessments and evaluations, TB testing, vocational counseling, case management and budgeting. Services available through referral include but are not limited to: HIV testing, residential medical social work, residential A & D care, psychiatry, obstetrics services, comprehensive medical services, dental services, employment counseling and vocational placement, education/GED assistance, family planning, STD testing, financial counseling, nutritional counseling, and special support programs for pregnant women and women with infants.

The clinic's operating hours will continue to be from 5:00 am to 1:30 pm Monday through Friday, and 5:30 am to 8:30 am on Saturday and Sunday. The proposed dosing hours for BHG Jackson Treatment Center are Monday-Friday from 5:30 am-11:00 am, and Saturday and Sunday from 5:30 am to 8:30 am. Counseling is provided Monday through Saturday.

Ownership

- BHG Jackson Treatment Center is owned by VCPHCS XIX, LLC, whose only member and parent company is VCPHCS, LP, a limited partnership, d/b/a Behavioral Health Group, or "BHG". VCPHCS, LP is owned by BHG Holdings, LLC. BHG currently owns 83% (10 out of 12) of existing non-residential substitution-based treatment centers for opiate addiction in Tennessee. BHG also owns 26 additional clinics in seven other states.
- Please refer to Attachment A.4 for a list of BHG's facilities.

Facility Information

- BHG Jackson Treatment Center holds a 10.5 year lease agreement for 5,322 square feet of space at cost of $6,209.00 per month.
- The lease agreement can be terminated if the Certificate of Need is denied.

The new proposed site will contain the following areas:

- Patient reception, intake, and waiting areas.
- A group counseling room and offices for 4 patient counselors
- Restrooms for staff, patients and drug screening tests.
- Sound-proof counseling offices; a break room; a laboratory; library/media room.
- A secure pharmaceutical storage in a secure medication room; medication administration spaces ("dosage booths").
- Office space for the Program Director, Nursing Supervisor, Counseling Supervisor and Medical Director.

A floor plan drawing for the facility is located in Attachment B.IV.—Floor Plan.

A security guard will be on duty inside and outside of the building during operating hours to manage early morning traffic, promote public safety, to discourage attempts at theft and to prohibit loitering in or near the property.

The applicant notes the proposed site is already zoned B-5 which is consistent with the proposed use. The proposed location consists of two suites. The other occupant of the building will be an auto/boat car radio shop on the back of the building.

Service Area Demographics

BHG Jackson Treatment Center's primary service area consists of Chester, Crockett, Gibson, Hardeman, Hardin, Henderson, Madison, and McNairy

counties. The total population of the service area is estimated at 289,864 residents in calendar year (CY) 2014 increasing by approximately 1.5% to 294,087 residents in CY 2018. The overall statewide population is projected to also grow by 3.7%. The latest 2013 percentage of the service area population enrolled in the TennCare program ranges from 16.9% in Chester County to 23.5% in McNairy County. The statewide TennCare enrollment proportion is 17.3%.

Historical and Projected Utilization

- BHG Jackson Treatment Center served 298 patients in 2012 and 290 patients in 2013 representing 108,770 and 105,850 encounters (doses), respectively.
- The applicant proposes to serve 295 clients in Year 1 (2015) and Year 2 (2016) representing a total of 107,675 encounters (doses) in each year.

Project Cost

Major costs are:

- Construction, $372,540, or 29.2% of the total project cost
- Lease Expense, $745,080 or 58.5% of total cost
- For other details on Project Cost, see the Project Cost Chart on page 49 of the application

The renovation cost per square foot is $70.00 for the 5,322 square foot proposed project. The renovation cost per square foot is comparable to Raleigh Professional Associates, another BHG non-residential substitution-based treatment center for opiate addiction project located in Memphis, TN. Raleigh Professional Associates, CN1305-019A, was approved to relocate by the Agency in August 2013. The total cost of that renovation project was $514,500 consisting of 7,350 SF which also resulted in a cost per square foot of $70.00.

Financing

A May 14, 2014 letter from BHG President and Chief Operating Officer James R. Draudt attests that the applicant LLC and its member have sufficient cash assets to implement the project.

The applicant's financial statements for BHG ending March 31, 2014 reflect a balance of cash on hand of $1,215,150 and a current ratio of .92:1.

BHG Holdings, LLC financial statements for the period ending December 31, 2013 indicates $985,159 cash on hand, total current assets of $2,690,238, total current liabilities of $3,895,005 and a current ratio of .69:1.

Note to Agency members: Current ratio is a measure of liquidity and is the ratio of current assets to current liabilities which measures the ability of an entity to

cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.

Note to Agency members: In the supplemental response, the applicant explains the lower current ratio for BHG Holdings, LLC reflects calendar year 2013 discretionary cash expenditures for treatment center upgrades in the BHG network, as well as 2 acquisitions that will generate positive operating flows. In 2013, 11 out of the 35 network centers owned by BHG were relocated and upgraded. As a result, double rents were incurred and one-time expenditures reduced cash and generated generally accepted accounting principles (GAAP) reported losses. In addition, a discretionary decision to retire $385,000 in senior credit in 2013 was made. The applicant indicates BHG Holdings has excess capacity in a credit line (existing additional revolver capacity=$4.1M) and has the ability to call dedicated equity (greater than $2,000,000) to fund projects as needed. BHG Holdings is projecting generating Earnings Before Interest Taxes and Depreciation and Amortization (EBITDA) of $13,081,000 and net operating cash flows greater than $4,089,000 in calendar year 2014.

Historical Data Chart

The applicant acquired BHG Jackson Treatment Center in late November 2011. The first full calendar year financial reporting period under BHG's ownership occurred in 2012.

- BHG Jackson Treatment Center reported net operating income of $96,398 in 2012, a gross margin of approximately 6.6%.
- Net operating income increased to $252,022 in 2013.

Projected Data Chart

The applicant projects $1,534,000 in total gross revenue on 295 clients during the first year of operation and $1,564,680 on 295 clients in Year Two (approximately $5,340 per client per year). The Projected Data Chart reflects the following:

- Net operating income less capital expenditures for the applicant will equal $459,474 in Year One increasing to $452,670 in Year Two.
- Net operating revenue after bad debt and charity care is expected to reach $1,502,093 or approximately 96% of total gross revenue in Year Two.
- Charity care at approximately 1.5% of total gross revenue in Year One and Year Two equaling to $23,010 and $23,470, respectively.
- Charity Care calculates to 4.4 patients per year in Year One.

Patient Charges

- The cost of methadone maintenance treatment after initial intake is approximately $98.00 per week.

- Statewide, the routine weekly charges range from $84.00 at BHG Dyersburg Treatment Center to $116.00 at BHG's Knoxville Bernard Treatment Center and BHG Knoxville Citico Treatment Center.
- The applicant indicates BHG usually increases its weekly program fee approximately $3.00-$4.00 every one to two years.
- A charge schedule for the clinic's services is located on page 60 of the application.

Medicare/TennCare Payor Mix

- Medicare- The facility does not participate in Medicare.
- TennCare- There are no TennCare Managed Care Organization (MCO) agreements because Methadone Maintenance Treatment (MMT) is not a covered service for adults over the age of 21. MMT is a covered service for enrollees between 18 and 20 years but TennCare will not directly reimburse the facility. To be reimbursed for medically necessary services, persons between 18 and 20 years old pay out of pocket for treatment. The applicant will submit required documentation to the MCO so the patient can be reimbursed. As of May 15, 2014, there were no patients aged 18-20 enrolled at BHG Jackson Treatment Center.

Staffing

The staffing pattern will be unchanged at the proposed location. The applicant's proposed direct patient care staffing in Year One includes the following:

- one (1) contract Medical Director and
- one (1) contract Program Physician,
- one (1) FTE Program Director,
- three (3) FTE Nurses (LPNs),
- four (4) FTE Counselors, and
- one (1) FTE Counseling Supervisor

Licensure/Accreditation

BHG Jackson Treatment Center is Joint Commission accredited. The accreditation survey is provided in the attachments. The facility will also continue to be licensed by the Department of Mental Health and Substance Abuse Services.

Notices

TCA § 68-11-1607 (c) (3) requires an applicant for a nonresidential substitution-based treatment center for opiate addiction to file notices with certain state, county, and local government officials within 10 days of filing the CON application. HSDA staff verified the applicant met all requirements of TCA § 68-

11-1607 (c) (3). The applicant documented the following officials had been notified:

- State Representative Johnny Shaw
- State Senator Lowe Finney
- Madison County Mayor Jimmy Harris
- City of Jackson Mayor Jerry Gist

Corporate and property documentation are on file at the Agency office and will be available at the Agency meeting.

Should the Agency vote to approve this project, the CON would expire in **two** years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT

There are no other Letters of Intent, denied or pending applications, or outstanding certificates of need for this applicant.

BHG Jackson Treatment Center is ultimately owned by BHG Holdings, LLC which has financial interests in this project and the following:

Outstanding Certificates of Need

ADC Recovery and Counseling Center, CN1305-018A, has an outstanding Certificate of Need that will expire October 1, 2015. The CON was approved at the August 28, 2013 Agency meeting for the relocation of an existing non-residential substitution based treatment center for opiate addiction from its current site at 3041 Getwell Road, Suite #101, Building A, Memphis, (Shelby County), TN to 4539 Winchester Road, Building B, Suite 1, Memphis, TN, Memphis (Shelby County), TN 38134. The estimated project cost is **$961,168**. *Project Status: The project has not yet begun construction.*

Raleigh Professional Associates, CN1305-019A, has an outstanding Certificate of Need that will expire October 1, 2015. The CON was approved at the August 28, 2013 Agency meeting for the relocation of an existing non-residential substitution based treatment center for opiate addiction from its current site at 2960-B Old Austin Peay Highway (Shelby County), TN to 2165 Spicer Cove, Suite 9, Memphis (Shelby County), TN 38134. The estimated project cost is **$1,136,905**. *Project Status: The project has not yet begun construction.*

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no other Letters of Intent, pending or denied applications, or outstanding Certificates of Need for other health care organizations in the service area proposing this type of service.

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PME (8/3/14)

LETTER OF INTENT

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Jackson Sun, which is a newspaper of general circulation in Madison County, Tennessee, on or before May 10, 2014, for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that the BHG Jackson Treatment Center (an adult non-residential substitution-based treatment center for opiate addiction formerly named "Jackson Professional Associates"), owned and managed by VCPHCS XIX, LLC (a limited liability company), intends to file an application for a Certificate of Need to relocate from its current site at 1869 Highway 45 Bypass, Suite 5, Jackson, TN 38305, to 58 Carriage House Drive, Suites A & B, Jackson, TN 38305 (a distance of 1.5 miles), at a project cost estimated at $1,300,000.

The facility is licensed by the Tennessee Department of Mental Health and Substance Abuse Services as an Alcohol & Drug Non-Residential Opiate Treatment Facility. It will be used exclusively to provide a comprehensive adult outpatient treatment program for opioid addiction--with testing, monitoring, counseling, medication (including methadone and suboxone) , and related services required for State licensure and for Federal certification by the U.S. Department of Health and Human Services.

The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements. The anticipated date of filing the application is on or before May 15, 2014. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

John L Wellborn 5-8-14 jwdsg@comcast.net

(Signature) (Date) (E-mail Address)

COPY

BHG Jackson Treatment Center

CN1405-014

DSG Development Support Group

May 15, 2014

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application Submittal
BHG Jackson Treatment Center--Change of Location
Jackson, Madison County

Dear Mrs. Hill:

This letter transmits an original and two copies of the subject application. The affidavit and filing fee are enclosed.

I am the contact person for this project. Dick Lodge is legal counsel. Please advise me of any additional information you may need. We look forward to working with the Agency on this project.

Respectfully,

John Wellborn
Consultant

4219 Hillsboro Road, Suite 203
Nashville, TN 37215
jwdsg@comcast.net
Tel 615.665.2022
Fax 615.665.2042

BHG JACKSON TREATMENT CENTER

CERTIFICATE OF NEED APPLICATION TO RELOCATE AN EXISTING NON-RESIDENTIAL SUBSTITUTION-BASED TREATMENT CENTER FOR OPIATE ADDICTION WITHIN JACKSON, TENNESSEE

Filed May 2014

PART A

1. Name of Facility, Agency, or Institution

BHG Jackson Treatment Center		
Name		
58 Carriage House Drive, Suites A & B		Madison
Street or Route		*County*
Jackson	TN	38305
City	*State*	*Zip Code*

2. Contact Person Available for Responses to Questions

John Wellborn		Consultant	
Name		*Title*	
Development Support Group		jwdsg@comcast.net	
Company Name		*E-Mail Address*	
4219 Hillsboro Road, Suite 210	Nashville	TN	37215
Street or Route	*City*	*State*	*Zip Code*
CON Consultant	615-665-2022		615-665-2042
Association With Owner	*Phone Number*		*Fax Number*

3. Owner of the Facility, Agency, or Institution

VCPHCS XIX, LLC		
Name		
c/o Behavioral Health Group, 8300 Douglas Avenue, Suite 750		Dallas
Street or Route		*County*
Dallas	TX	75225
City	*State*	*Zip Code*

4. Type of Ownership or Control (Check One)

A. Sole Proprietorship		F. Government (State of TN or Political Subdivision)	
B. Partnership		G. Joint Venture	
C. Limited Partnership		H. Limited Liability Company	*x*
D. Corporation (For-Profit)		I. Other (Specify):	
E. Corporation (Not-for-Profit)			

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS

5. *Name of Management/Operating Entity (If Applicable)* NA

Name

Street or Route *County*

City *State* *Zip Code*

6. *Legal Interest in the Site of the Institution (Check One)*

A. Ownership		D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of 10.5 Years			

7. *Type of Institution (Check as appropriate—more than one may apply)*

A. Hospital (Specify): General		I. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		J. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		K. Recuperation Center	
D. Home Health Agency		L. Rehabilitation Center	
E. Hospice		M. Residential Hospice	
F. Mental Health Hospital		N. Non-Residential Methadone	*x*
G. Mental Health Residential Faclity		O. Birthing Center	
H. Mental Retardation Institutional Habilitation Facility (ICF/MR)		P. Other Outpatient Facility (Specify):	
		Q. Other (Specify):	

8. *Purpose of Review (Check as appropriate—more than one may apply*

A. New Institution		G. Change in Bed Complement Please underline the type of Change: Increase, Decrease, Designation, Distribution, Conversion, Relocation	
B. Replacement/Existing Facility		H. Change of Location	x
C. Modification/Existing Facility		I. Other (Specify):	
D. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify)			
E. Discontinuance of OB Service			
F. Acquisition of Equipment			

9. *Bed Complement Data* ***Not Applicable***

(Please indicate current and proposed distribution and certification of facility beds.)

	Current Licensed Beds	CON approved beds (not in service)	Staffed Beds	Beds Proposed (Change)	TOTAL Beds at Completion
A. Medical					
B. Surgical					
C. Long Term Care Hosp.					
D. Obstetrical					
E. ICU/CCU					
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child/Adolesc. Psych.					
K. Rehabilitation					
L. Nursing Facility (non-Medicaid certified)					
M. Nursing Facility Lev. 1 (Medicaid only)					
N. Nursing Facility Lev. 2 (Medicare only)					
O Nursing Facility Lev. 2 (dually certified for Medicare & Medicaid)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child/Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL					

10. Medicare Provider Number:	None
Certification Type:	NA
11. Medicaid Provider Number:	None
Certification Type:	NA

12. & 13. See page 4

A.12. IF THIS IS A NEW FACILITY, WILL CERTIFICATION BE SOUGHT FOR MEDICARE AND/OR MEDICAID?

The BHG Jackson Treatment Center ("BHG Jackson" in this application) has been operating in Jackson for twenty years (since 1994). It is licensed by the State and is accredited by the Joint Commission. It is proposing to move from its current site on the U.S. Highway 45 bypass, to a better building approximately 1.5 miles away.

The facility is an existing State-licensed opioid treatment program (OTP)* utilizing methadone as a core component of its treatments. Like other such licensed programs in Tennessee, it does not contract with Medicare or Medicaid/TennCare. Very few Medicare-age patients seek admission to an OTP. At this clinic currently, 1% of the patients are 65 years of age or older. None is a TennCare enrollee Please see the explanation in response A.13 immediately below, with respect to TennCare participation.

** "Opioid Treatment Program" or "OTP" is becoming the preferred name for the type of State-licensed, comprehensive, clinic-based program that provides methadone or suboxone replacement therapy combined with intensive counseling and social services. Other names frequently given to these programs include "methadone maintenance therapy" (MMT), or "methadone clinic." The current (CY2013) Tennessee licensing category for this type of facility is "Alcohol and Drug Non-Residential Opiate Treatment Facility".*

A.13. IDENTIFY ALL TENNCARE MANAGED CARE ORGANIZATIONS / BEHAVIORAL HEALTH ORGANIZATIONS (MCO'S/BHO'S) OPERATING IN THE PROPOSED SERVICE AREA. WILL THIS PROJECT INVOLVE THE TREATMENT OF TENNCARE PARTICIPANTS? No IF THE RESPONSE TO THIS ITEM IS YES, PLEASE IDENTIFY ALL MCO'S WITH WHICH THE APPLICANT HAS CONTRACTED OR PLANS TO CONTRACT.

DISCUSS ANY OUT-OF-NETWORK RELATIONSHIPS IN PLACE WITH MCO'S/BHO'S IN THE AREA.

In West Tennessee, the available TennCare MCOs are United Healthcare Community Plan, BlueCare, and TennCare Select. However, TennCare reimbursement does not cover opioid treatment programs ("OTP's") for patients over 20 years of age;

and this clinic (like the others in Tennessee) serves only adult patients 18 years of age or older. Therefore the "window" of TennCare coverage for OTP services is only patients who are 18-to-20 years of age. Very few persons that young seek admission. In this clinic currently, there are no TennCare patients 18-20 years of age. As a result, like Tennessee's other OTP's, this Memphis program does not need to formally contract with TennCare MCOs.

However, this facility is able to serve eligible TennCare enrollees (age 18-20) on a private pay basis. Such TennCare patients work directly with their MCO to be reimbursed personally for their payments to the clinic. The clinic submits to the MCO each patient's medical intake assessment, diagnosis, and most recent treatment plan, to establish medical necessity. TennCare patients who need transportation to the clinic can often utilize transportation contracts between the Bureau of TennCare and local nonprofit organizations.

This treatment model is affordable for opioid-dependent TennCare patients, especially when compared to the costs of not seeking such treatment. Methadone maintenance treatment at this clinic, after initial intake, costs approximately $98 per week. The only alternative for the addiction is to continue purchasing opioids illicitly "on the street"--which costs the drug user three to four times as much. When self-medicating without the monitoring and support of a comprehensive treatment program, patients' outcomes have proven to be dangerous as well as costly to society.

SECTION B: PROJECT DESCRIPTION

B.I. PROVIDE A BRIEF EXECUTIVE SUMMARY OF THE PROJECT NOT TO EXCEED TWO PAGES. TOPICS TO BE INCLUDED IN THE EXECUTIVE SUMMARY ARE A BRIEF DESCRIPTION OF PROPOSED SERVICES AND EQUIPMENT, OWNERSHIP STRUCTURE, SERVICE AREA, NEED, EXISTING RESOURCES, PROJECT COST, FUNDING, FINANCIAL FEASIBILITY AND STAFFING.

Proposed Services and Equipment

• The applicant's facility is a licensed, Joint Commission-accredited clinic that has been operating in Jackson since 1994. It is located at 1869 Highway 45 Bypass, just south of I-40 in Jackson at Exit 82. The applicant proposes to relocate approximately 1.5 miles to the east, into 5,322 SF of leased space at 58 Carriage House Drive, Suites A & B, within the same zip code in Jackson. The purpose of the relocation is to provide an improved physical facility for BHG patients and staff. The relocation will not change the program's services or utilization.

• The applicant operates an outpatient Opioid Treatment Program ("OTP") that is authorized to dispense daily dosages of opioid substitutes such as methadone and suboxone, to adult patients (age 18+) who are addicted. This is done under rigorous controls that include mandatory drug testing, counseling, and social services. Methadone is a safe, synthetically engineered "substitute" opioid used to relieve and stabilize persons who are dependent on very harmful opioids such as heroin, OxyContin, Dilaudid, morphine, and hydrocodone. A harmless substitute medication such as methadone, taken daily, suppresses patients' cravings for harmful opioids, allowing patients to lead normal lives--holding jobs, maintaining family relationships, and living more safely. Equally important, the applicant's program provides comprehensive behavior therapy and case management services to support the patient's recovery and stabilization.

Ownership Structure

• The licensed facility's owner is VCPHCS XIX, LLC, whose only member and parent company is VCPHCS, LP (which does business as Behavioral Health Group, or "BHG"). BHG is Tennessee's largest provider of this type of service. It owns 10 of Tennessee's 12 clinic programs of this type. Attachment A.4 contains a list of those programs, located in Memphis (3), Jackson, Paris, Nashville, Columbia, and Knoxville (2). BHG operates a total of 38 treatment centers in eight States. Materials on BHG are also provided in that attachment.

Service Area

• The applicant's primary service area consists of eight counties surrounding Jackson: Chester, Crockett, Gibson, Henderson, Hardeman, Hardin, Madison, and McNairy. Approximately 93% of this clinic's patients in CY2013 resided in Tennessee. Madison County patients comprised approximately 41% of its patients. The primary service area patients comprised approximately 79% of its patients. Approximately 11% of the clinic's patients came from 20 other Tennessee counties and 6 other States.

Need

- The facility now occupies a relatively old building on one of Jackson's busiest highways. Its roof leaks into the clinic on occasion; its HVAC systems have recently been malfunctioning. As a licensed outpatient healthcare facility, the applicant needs to be in a building that is in better condition. The proposed location five minutes' drive from the current location provides an improved environment.

Existing Resources

- West Tennessee has seven clinics of this type. BHG, the applicant's parent company, operates six of them. In Memphis (Shelby County) there are three, all operated by BHG. In rural West Tennessee, there is the applicant clinic in Jackson (Madison County), and three others in Dyersburg (Dyer County), Paris (Henry County); and Savannah (Hardin County). The clinic in Savannah is independent; BHG operates the clinics in Dyersburg and Paris.

Project Cost

- The project cost for CON purposes is estimated to be $1,274,050. Of this, only $528,970 is actual capital cost; the balance is the value of the leased space that HSDA rules require applications to include in the CON cost.

Funding

- The applicant LLC and its parent BHG have sufficient funds on hand or available to implement the relocation.

Financial Feasibility

- The program will continue to operate with a positive financial margin in its new location.

Staffing

- The relocation will not require addition of any staff. BHG Jackson Treatment Center's utilization has been fairly uniform for several years; no increases of utilization or changes in services are projected in the near future.

B.II. PROVIDE A DETAILED NARRATIVE OF THE PROJECT BY ADDRESSING THE FOLLOWING ITEMS AS THEY RELATE TO THE PROPOSAL.

B.II.A. DESCRIBE THE CONSTRUCTION, MODIFICATION AND/OR RENOVATION OF THE FACILITY (EXCLUSIVE OF MAJOR MEDICAL EQUIPMENT COVERED BY T.C.A. 68-11-1601 *et seq.)* INCLUDING SQUARE FOOTAGE, MAJOR OPERATIONAL AREAS, ROOM CONFIGURATION, ETC.

The applicant is currently located in central Jackson, at 1869 Highway 45 bypass, near Exit 82. The applicant is proposing to relocate to an office building only 1.5 miles and five minutes' drive to the east, at 58 Carriage House Drive, Suites A & B. The proposed location is close to the applicant's current location. It is within the same general area of Jackson, and within the same zip code.

The proposed location combines two suites in a 10,137 SF building that is a one-story structure with ample patient parking spaces. Its only other occupant will be a car radio shop on the back of the building. The building's zoning is B-5, a broad general business category that is consistent with the proposed use.

The applicant plans to renovate and occupy an estimated 5,322 SF of space. The finished clinic will contain patient reception, waiting and intake areas; offices for the Medical Director, Program Director, Nursing Supervisor, and Counseling Supervisor; offices for four patient counselors; secure pharmaceutical storage in a secure medication room; four medication administration spaces ("dosing booths"); a Patient Resources Room (small library/media room); a Group Counseling Room; a staff break room; support spaces for IT and operations functions; and several bathrooms for staff, patients, and drug screening tests. It has a reception and main waiting area at the entrance, and a subwaiting area within the counseling area behind reception. A floor plan of the proposed clinic is provided at the end of this response as well as in the Attachments section of the application.

The new space has been designed for efficient, secure, and confidential patient care. It has been planned by BHG, the applicant's parent company, working with Denton Architecture of Memphis. At the new location, the facility will continue to comply with all State licensure, Federal certification, and accreditation standards.

Arriving patients will park beside the building and will enter the clinic on the north side of the building. They will enter a reception and main waiting room, with financial, administrative, and medical records support. From there, they will be directed to the appropriate rooms behind the entrance area, for their scheduled services. At the conclusion of their visits they will exit on the west side of the building.

If only dosing is scheduled (administration of medication by a medication nurse), they will proceed to a dosing booth for administration of the medication by a nurse. If counseling is part of their scheduled care that day, they will proceed either to a private, sound-proof counseling office to meet with their assigned counselor, or to a group counseling room. If drug screens and/or lab analysis are required, patients will proceed into an area with a specimen drawing room adjacent to a laboratory for testing and analysis. If a patient is scheduled to see the Medical Director or Nurse Practitioner for medical care, s/he will proceed to the Medical Director's office.

There will be a secure, locked medication room internal to the building. It will will have motion and vibration alarm systems to defeat any attempts to steal pharmaceuticals during or after operating hours. It will have thick plywood shielding in the ceiling and walls, underneath the drywall finishes. It will contain a locked vault, or safe, for storage of pharmaceuticals. The medication room and its vault will meet the Drug Enforcement Administration's OTP-specific security requirements established in 21 CFR Section 1305.

An unarmed security guard will be on duty inside and outside the building during operating hours--to manage early-morning traffic, to promote public comfort, to discourage attempts at theft, and to prohibit loitering in or near the property, whether by existing patients or otherwise.

Facility Cost, Funding, Financial Feasibility

The project cost for CON purposes has been estimated at $1,274,050, of which only $528,970 is the actual capital cost. The balance of $745,050 is the total lease payments during the first term of the lease (these must be included as a CON cost under HSDA rules). The applicant LLC, through its parent company BHG, has sufficient cash

on hand to implement the project. The clinic currently has an established patient base and a positive cash flow and operating margin. These will continue at the new site.

The Site

The site was chosen because of (a) the building quality, (b) its distance from properties with uses that sometimes cause concern when an opioid treatment facility is proposed nearby, and (c) its location within the same general area of Jackson, where it has quietly met patients' needs for two decades.

For example, there are no public schools or parks or residential subdivisions near the proposed project. The site is in an almost entirely commercial area, with a few apartment buildings and community churches, but nothing that could be called a "residential neighborhood" nearby. Almost all patient visits to the facility will occur in the early morning hours beginning at 5 am, and ending by 11 am. The program does not adversely impact any neighborhood activities at its current location (which is in a shopping mall), and it will not have adverse impacts at the proposed location.

The following page lists land uses of properties within blocks of the proposed site, in all directions. The adjoining areas contain no schools, parks, or churches. Most land uses are restaurants and other commercial activities. There is some manufacturing as well. It should be noted that this clinic has been located in a shopping center for many years, so its proposed relocation is likely to provide enhanced separation from community activity.

BHG JACKSON TREATMENT CENTER
Proposed Site at 58 Carriage House Drive, Suite A & B, Jackson, TN 38305
Land Uses In All Directions

(To be submitted under separate cover)

Operational Schedule

The project's first full operational year at the proposed new site will be January through December of CY2015. It will operate seven days a week, with four holidays a year (Memorial Day; Independence Day; Thanksgiving; Christmas).

The clinic's operating hours will continue to be from 5:00 am to 1:30 pm Monday through Friday, and 5:30 am to 8:30 am on Saturday and Sunday. Counseling is provided Monday through Saturday.

The clinic's routine patient service hours (patient dosing) will continue to be 5:30 am to 11 am on Monday through Friday, and 5:30 am to 8:30 am on Saturday and Sunday. Program staff, including the Medical Director, are on call 24/7 through the clinic's emergency call numbers, one of which is a cell phone.

Licensure, Certification, Accreditation

Like all of the BHG clinics in Tennessee, this facility is currently licensed by the Tennessee Department of Mental Health (DMH) as an "Alcohol and Drug--Non-Residential Opioid Treatment Facility." The licensure category will change to "Non-Residential Substitution-Based Treatment Center for Opiate Addiction", as the licensing agency re-licenses facilities using the term prescribed in a recent State statute.

The clinic will also continue to be Federally licensed by the Drug Enforcement Administration (DEA) under a "Registered Controlled Substance Certificate," which allows it to handle certain controlled substances. It operates under certification as an opioid treatment program from the Center for Substance Abuse Treatment (CSAT), a branch of the Substance Abuse and Mental Health Services Administration (SAMHSA) in the U.S. Department of Health and Human Services.

All of BHG's Tennessee clinics are accredited by The Joint Commission or by CARF (a national nonprofit accreditation organization originally founded as the "Commission on Accreditation of Rehabilitation Facilities"). The Jackson facility is

Joint Commission-accredited. Its accreditation survey findings are provided in the Attachments.

Ownership and Management

The BHG Jackson Treatment Center is wholly owned by VCPHCS XIX, LLC, a limited liability company. That LLC is wholly owned by VCPHS, LP, a limited partnership, all of whose interests are owned by BHG Holdings, LLC. Entities with 5% or greater membership interests in BHG Holdings, LLC are:

BHG Investments, LLC	84.00%
Andrew Love	7.02%
James Draudt	7.18%

Program Description

1. Staffing

A Program Director supervises all daily operations of the program. Medical supervision and medical care are provided by a Medical Director (assisted by a Nurse Practitioner if requested by the Medical Director), the Program Director (who is a nurse), the Nurse Supervisor, Medication Nurses, and Medical Assistants/Phlebotomists as needed. Intake evaluations and counseling are provided by the Counselor Supervisor, with support from Administrative staff and Medical Assistants. The Counselor Supervisor supervises a staff of four clinical counselors. Administrative support persons, maintenance and security personnel provide administrative and facility support.

The staffing pattern will be unchanged at the new location (see section C.III.3 of this application). The applicant projects having an average of one counselor per approximately fifty to sixty patients (dependent on a counselor's mix of new versus stable patients), as reflected in the facility design and staffing pattern, i.e., four counselors, and

a counselor supervisor (who does some counseling as well as supervision), for a program seeing 250-300 patients on average.

The frequency of counseling depends on individual needs, with more intensive counseling required in the early phases of the program (twice weekly during the first 30 days), and less frequent counseling as the patient moves through later phases. With an established program like this, ratios tend toward one counselor per sixty patients because longer-term patients require less frequent counseling. A new program would start off closer to one counselor per thirty patients. Offices are provided in the new floor plan for a Counselor Superisor and four counselors--the same number that are not on staff. All will have a counseling caseload.

The program's Medical Director, Christopher Marshall, M.D., is licensed in Tennessee and holds current State controlled-substance registration and a Federal DEA certificate. He received his M.D. from the U.T. College of Medicine in Memphis; completed a University of Louisville residency in Family Medicine in Glasgow, Kentucky; and has been on the medical staff of several Kentucky and Tennessee hospitals. He is subspecialty Board Certified in Addiction Medicine and resides currently in Linden, Tennessee, east of Jackson.

2. Program Overview

The objective of the program is to help patients stop using opioids and any other drugs that interfere with their lives, so they can resume normal lives in their homes, workplaces, and communities. This is accomplished through not only a medically managed program of substituting methadone for harmful opioids and encouraging managed withdrawal, but also by simultaneously requiring intensive counseling and support services to help patients change the lifestyles and personal relationships that led them to develop drug dependencies.

Admission to the program is tightly controlled through stringent medical, State,and Federal admission criteria. Applicants must be at least 18 years of age. They must demonstrate opioid dependency through assessment screenings and lab work; and

they must have been physiologically dependent for at least one year. The Tennessee Controlled Substance Monitoring Program Database is checked (at entry, and periodically as needed) to identify narcotic prescriptions that a patient may have had filled. The intake staff also checks adjoining States' prescription registries, and investigates the patients' use of other OTP's within driving range. Inquiries will be made with the patient's personal physician, if any. Admission to the program will be granted only after the Medical Director has met with the patient and is satisfied that the patient is eligible and committed to work toward recovery. In addition to serving its own program enrollees, the clinic also serves a significant number of "guest" patients who are traveling through Memphis and are enrolled in other OTP programs. They are served only after a very detailed screening and certification process coordinated with their "home" OTP program, to ensure their active status in a licensed program and the appropriateness of the care they seek at the BHG Jackson Treatment Center.

The first month of the program is an intensive orientation period to prepare the patient for successful integration into the program. A discharge planning process starts immediately upon intake to reinforce that the patient's goal is to eliminate all drug dependency, including dependence on methadone. The patient meets with the Medical Director and undergoes private counseling with his or her assigned counselor, at least twice weekly. A comprehensive drug and alcohol assessment is completed during this orientation month. An individualized treatment plan is developed to coordinate the interdisciplinary requirements of the program. The patient's treatment plan is updated every three months in the first year of treatment, and every six months thereafter. New Patient Orientation group meetings and private individualized counseling twice weekly are required during this orientation month. Dosing and counseling are available at least six hours per day on weekdays, and at least three hours on Saturdays. On Sundays, dosing is available at least three hours and counseling may be provided to accommodate special needs of the patient's schedule.

From the outset of the program, patients receive daily oral doses of a "substitute" medication such as methadone, a synthetic, non-harmful opioid whose effects generally last 24-36 hours. Unlike the other opioids to which the patient is addicted, methadone does not create a "high" or impair mental or bodily function or deteriorate the body physically when properly administered. Methadone's only significant effect is the

positive elimination of the cravings for other types of opioids. This medication replacement therapy, coupled with the prolonged support of counseling and social services, enables patients to resume normal lives. Between 60% and 70% of clinic patients are usually employed (most of the other patients are either disabled, retired, or are homemakers).

After the Medical Director has established an appropriate dosage plan, a clinic nurse administers the patient's methadone orally, each day. After a successful orientation month, compliant patients enter the longer-term maintenance program, which consists of nine phases with increasing responsibilities and increasing privileges for compliant participants. Progress through these phases depends on continuous time in treatment as well as on compliance with several standards of behavior, including maintaining negative (i.e., drug-free) drug screens; abstinence from alcohol; regularly attending the clinic as scheduled; keeping appointments at the clinic and referral agencies; conformity to the clinic's behavioral standards; stability of home and social relationships; and a demonstrated ability to safeguard take-home doses and to ingest them as prescribed by the Medical Director. The privileges earned in moving through the phases include gradual reduction in required counseling from four sessions a month to one per month, and additional take-home doses to reduce the burdens of daily commuting.

During all phases of the maintenance program, the clinic makes unscheduled "call-backs" for patients dosing at home to present at the clinic within 24 hours of notification, to have their medications counted (this assures that the medications are not being diverted for illicit sale or otherwise being administered inappropriately). In addition, both at intake and periodically during treatment, the clinic tests for alcohol consumption.

During all phases of the program, patients who fail to comply with program rules can be discharged or can be returned to earlier "phases" requiring increased attendance, clinic dosing, and more frequent drug screens and counseling--more intensive monitoring and therapy. Rules include: no diversion of the methadone take-home doses (i.e., no stockpiling, selling, or giving away); no attempts to defeat drug screens, no threats of violence; no use of substances of any kind (including alcohol) that are prohibited in the patient's treatment plan; no failures of attendance at required therapies and counseling; no

missing of three consecutive clinic dosing appointments; screenings that document the presence of illicit drugs, or the absence of methadone metabolite; etc. A positive drug test result after the first six months of enrollment requires weekly counseling, immediate revocation of take-home privileges, participation in treatment team meetings, and more intensive levels of care.

Services *provided directly by the clinic* include but are not limited to: individual and group counseling, opioid substitution treatment, long-term opioid medically supervised withdrawal or "MSW" (to wean the patient from methadone), physical examinations, lab tests, urine drug screens, minor medical services and referrals, substance abuse assessments and evaluations, TB testing, vocational counseling, case management, and budgeting. The clinic provides on-site prescriber services of one hour per week for every 35 service recipients. A minimum of 12.5% of the required subscriber services is provided by a physician. Services *arranged by the clinic through subcontracting and referral* will include but will not be limited to the following: HIV testing, residential medical social work, residential A&D care, psychiatry, obstetrics services, comprehensive medical services, dental services, employment counseling and vocational placement, educational/GED assistance, family planning, STD testing, financial counseling, nutritional counseling, and special support programs for pregnant women and women with infants.

3. Results of the Program

A methadone maintenance treatment regimen (stable dose level, active participation in individual and group counseling therapy, establishment of a stable home life and gainful employment) enables a patient to eliminate the use of illicit and harmful opioid drugs--i.e, to be free of drugs *other* than methadone, which is a long-acting replacement medication. It is those *other* drugs that cause harm to the patient and to the patient's community--not methadone that is well-managed by a licensed treatment program.

The word "maintenance" signifies that medication replacement therapy is most often a long-term treatment regimen. Recovery is a lifelong commitment, and the opioid treatment program is a lifelong resource, if needed. Some patients committed to

remaining "drug-free" of *other* drugs attend the program indefinitely; others re-enter treatment upon experiencing relapse, post-discharge. A partial analogy is Alcoholics Anonymous (AA) for alcoholism: a person addicted to alcohol never cures alcoholism but is able to avoid alcohol by faithful participation in the AA program. The percentage of BHG patients who are "opiate positive" drops dramatically as continuous time in maintenance treatment increases.

A February 2002 IDU/HIV monograph entitled "Methadone Maintenance Treatment", funded by the U.S. Center for Disease Control, stated that "most" program enrollees who discontinue methadone maintenance relapse to use of other drugs, and that individuals "may need multiple episodes of treatment over time". That short monograph includes related facts of interest in support of methadone maintenance. It is in the "Miscellaneous" attachment at the end of this application. The monograph's estimate is consistent with others published over many years.

Certainly, many patients leave the treatment program without the need for replacement methadone therapy and remain free of illicit substance use, but it is difficult to track these patients' long-term success or track record. There is no national database on an individual's participation, anymore than AA maintains a national database.

BHG Hope • Respect • Caring

Behavioral Health Group • 58 Carriage House • Jackosn Tennessee

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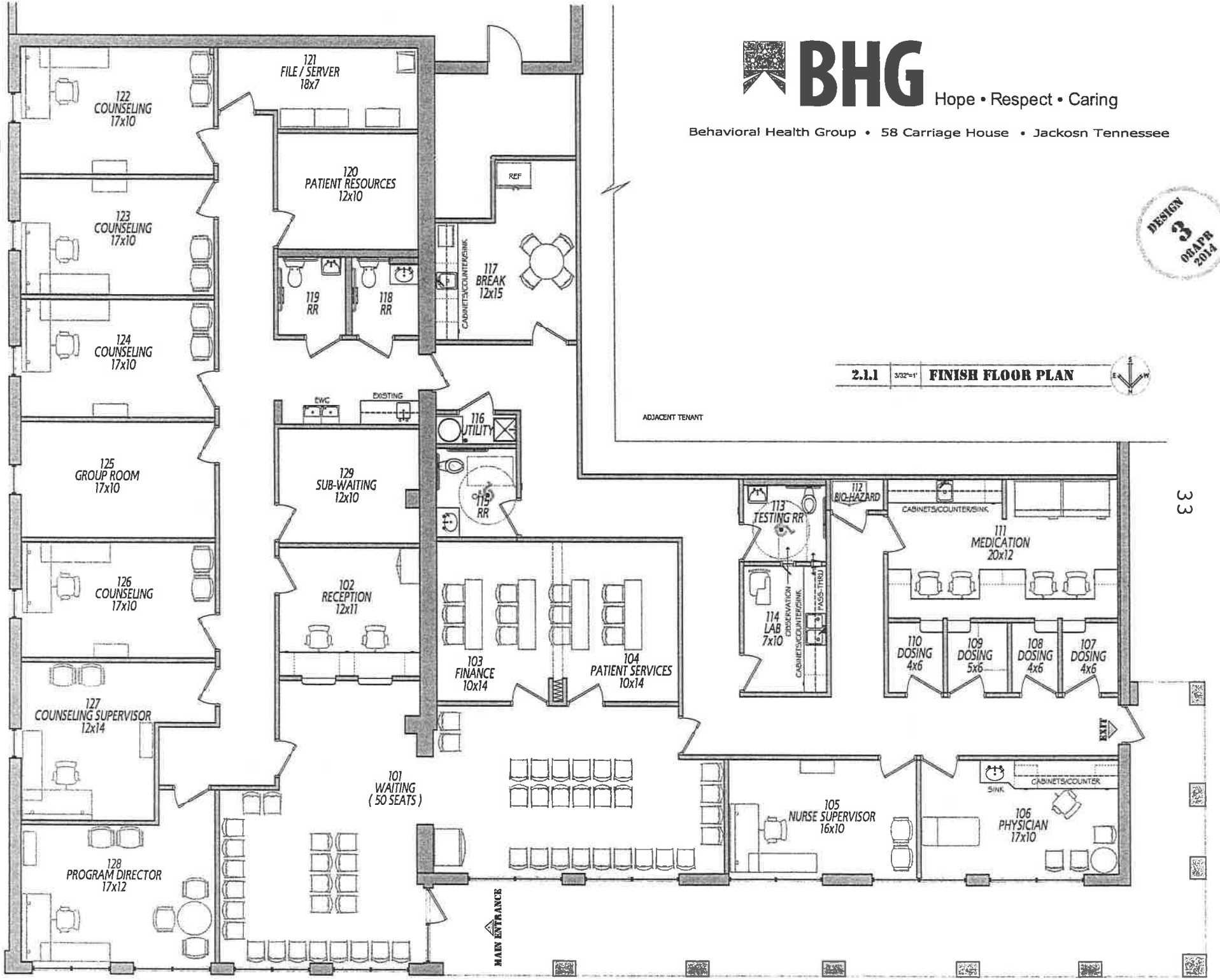

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Opioid Addiction Treatment Services

Frequently Asked Questions | Opioid Addiction Treatment Services

Q: Who are your patients?

Our patients are those suffering from an addiction to opioid drugs such as OxyContin, Vicodin, Percocet, hydrocodone, Codeine, and morphine. Addiction knows no boundaries and attacks individuals regardless of age, sex, race, profession, social class or ethnicity. Our focus is to help these people live drug-free lives. As their lives change, so do the lives of the people around them. We've seen countless families re-established, watched people go back to the work they love, and most importantly, celebrated as people look at life through the lens of hope and happiness again.

Q: What are opioids?

Opioids – which are also sometimes called Opiates – are a family of drugs that have morphine-like effects, with their primary medical application being pain relief. Doctors and dentists may prescribe opioids to people with acute or chronic pain resulting from disease, surgery, or injury. In addition, some opioids such as methadone and buprenorphine have been found to successfully help treat addiction to other opioids, such as prescription pain pills and heroin.

Q: What types of drug addiction will you treat?

We exclusively focus our efforts on treating opioid addictions (although the services our patients receive meaningfully contribute to their recovery from other substances of abuse as well). Some commonly known opioids are prescription pain medications such as: OxyContin, Vicodin, Percocet, hydrocodone, Codeine and morphine to name but a few. Approximately 85% of our patients are addicted to prescription medications.

Q: What is an opioid addiction?

Opioid addiction is a deep-rooted, relapsing disease of the brain that results from the prolonged effects of intense exposure to the drugs. Opioid addiction creates a compulsive, physical need for continued opioid use. As the person becomes addicted to the drug, they must continue taking it or suffer severe withdrawal symptoms. Seeking and using opioids becomes the primary purpose in the life of the addicted person. Important social, employment, and recreational activities are given up or reduced because of this intense preoccupation.

Q: How do you treat someone with an addiction?

Behavioral Health Group provides opiate addiction treatment services in an outpatient setting. There are two essential aspects to treatment:
Medication-assisted treatment using methadone, the "gold standard" for treating serious opioid addiction, to combat the physical effects of the addiction. The patient's physical addiction must be stabilized first in order to begin effective behavioral therapy.

Behavioral therapy (i.e., counseling) that addresses the psychological dependence to stabilize the patient and provide them with the tools to live drug free. We help individuals develop and utilize the necessary coping skills and resources to make their lifelong road of recovery as successful as possible.

Q: Shouldn't people be able to "just quit?"

Resources

Inquire about Treatment with BHG

In the Media

Helpful Links

Frequently Asked Questions

Patient Testimonials

Frequently Asked Questions:

Q: Are your treatment centers regulated?

Highly. Our programs are licensed by both state and federal authorities and are accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF) and the Joint Commission, the same agency that accredits hospitals nationwide.

more

Words From Our Patients:

During the past six months Methadone Maintenance Treatment has helped me out a lot. I have been able to accomplish a lot more and save a lot of money. The staff, especially my counselor, has been great about helping me deal with personal issues,. This is a great treatment facility and I would not have gone anywhere else.

more

It is extremely difficult to overcome a drug addiction. Many have tried to "just quit," but unfortunately, typically fail. Because of the physical effects of prolonged drug usage, the body has become chemically dependent on the very thing it should avoid. We have consistently found, and independent research proves, that by combining medication-assisted treatment with extensive behavioral counseling, our programs give people a tremendous opportunity for success.

Methadone maintenance therapy is much like using "The Patch" or nicotine gum to quit smoking. Cigarette smokers are addicted to nicotine. It is exceedingly difficult to quit smoking by going "cold turkey." So, instead, many people use "The Patch" or nicotine gum to regulate and control their nicotine cravings while they learn to live without cigarettes. Eventually, they are weaned off of the nicotine replacement and are able to live completely cigarette- and nicotine-free. Methadone treatment is akin to "The Patch" for persons with opioid dependency. Methadone regulates and controls their cravings while they learn to live without drugs and abandon the harmful lifestyle that accompanies drug use. The only difference between a nicotine addiction and an opioid addiction is the substance abused and the nature of the addiction.

Q: Is methadone safe?

For more than 45 years, methadone has been used to treat opioid addiction. When taken under medical supervision, long-term maintenance causes no adverse effects to the heart, lungs, liver, kidneys, bones, blood, brain, or other vital body organs. Properly administered, methadone produces no serious side effects, although some patients experience minor symptoms such as constipation, water retention, drowsiness, skin rash, excessive sweating, and changes in libido. Once methadone dosage is adjusted and stabilized, however, these symptoms usually subside.

Methadone is a legal medication produced by licensed and approved pharmaceutical companies using established quality control standards. Under a physician's supervision, it is typically administered orally on a daily basis with strict program conditions and guidelines. Importantly, methadone does not impair cognitive functions. It has no adverse effects on mental capability, intelligence, or employability. Properly administered, it is not sedating or intoxicating, nor does it interfere with ordinary activities such as driving a car or operating machinery. Patients are able to feel pain and experience emotional reactions. Most importantly, methadone relieves the craving associated with opioid addiction. While taking methadone as part of a drug treatment program, typical street doses of pain pills and heroin are ineffective at producing euphoria, which in turn reduces the allure of illicitly using opioids and, in so doing, dramatically accelerates the elimination of their use altogether. Ultimately, the stabilized methadone patient is much more receptive to behavioral counseling, which gives him or her a better chance for success.

Q: We don't give alcohol to alcoholics, why give drugs like methadone to someone with an addiction?

If a person has an addiction to drugs, his or her body has become chemically conditioned to expect those drugs. When the body is suddenly deprived of the drugs it is expecting, unconscious physical withdrawal occurs. The physical and emotional effects of withdrawal are typically very severe. During this time, a person has little ability to handle daily life, much less the behavioral counseling that must also occur to achieve and sustain recovery. Thus, methadone medication is used to reduce these symptoms and physically stabilize the body. Once stabilized, we are able to begin working with the patient to treat the behavioral factors that contributed to the addiction in the first place.

Methadone is a highly regulated, prescription medicine used to help temporarily replace the body's craving for opioids. It is very similar to prescribing insulin as a replacement or "substitution" therapy for diabetes patients. Methadone treatment has been used this way for more than 45 years and has helped millions of people on their path to recovery. A stable maintenance dose of methadone does not make our patients feel "high" or drowsy. As a result, our patients can socialize, go to work or school, and otherwise carry on a normal life. Vincent Dole, MD, a pioneer in medication substitution therapy said, "There is absolutely nothing wrong with using crutches if it helps the person get back on his feet and move forward in addiction recovery."

Q: How long does a patient need to stay in treatment?

Extensive research has been conducted in this area. Studies have routinely demonstrated reductions in illicit opioid use of up to 80% or more after several months of medication-assisted treatment with methadone, with the greatest reductions for patients who remain in treatment more than a year. The time in treatment will depend on the length and intensity of the patient's drug abuse and his or her ability to adopt the behavioral changes necessary to break the addiction. Each case is unique, and the decision to stop treatment is made between the patient and his or her treatment team.

Q: Will the methadone you provide attract more drug users to our community?

When methadone is prescribed in our treatment program, it is done so in an extensively controlled environment for only those persons who qualify for treatment. In most cases, it is taken orally on-site, and it is highly managed when on-site or off-site to guard against diversion, abuse, or misuse of the medication. Federal and state regulations require that we closely monitor and manage the distribution of methadone to our patients. We are subject to government inspection at any time.

Q: Should I worry about who is going to the treatment center?

It is the people who are not patients but should be that communities need to worry about. Persons with drug addictions exist in every community, and the addicted individual who does not get treatment is typically the one who makes the evening news. Our patients choose treatment for addiction because they want to get help. They desire to regain their lives; they just need help finding the path.

Q: How are your patients able to function if they are taking methadone?

A stable, maintenance dose of methadone does not make a person feel "high" or drowsy. Our program is designed to help people reduce their dependence on opioids, while providing them with extensive individual and group counseling. Our goal is to help people regain control of their lives as quickly and safely as possible. There have been numerous, well-documented scientific studies that prove methadone treatment has no negative effects on mental capabilities, intelligence, reaction time, and motor functions.

Q: Are your treatment centers regulated?

Highly. Our programs are licensed by both state and federal authorities and are accredited by the Joint Commission, the same agency that accredits hospitals nationwide.

Q: How do your facilities determine the proper prescriptions or dose levels of methadone?

Methadone is a medication, and like all medications, proper dosing is contingent upon the patient's individual needs. Taken orally, methadone is rapidly absorbed from the gastrointestinal tract, appears in plasma 30 minutes after ingestion, and peaks one hour later. Methadone is also widely distributed to body tissues where it is stored and then released into the plasma. This combination of storage and release keeps the patient comfortable by preventing withdrawal. As is the case for any other medication (such as insulin or anti-hypertensives), proper dosing is determined through the doctor-patient relationship, taking into account the patient's medical assessment, individual metabolic needs, and other medical conditions and existing treatments.

Q: Will your treatment center increase crime in our community?

The presence of an Opioid Treatment Program (OTP) is statistically linked with exactly the reverse – i.e., reduced community criminal activity – and decreases in criminal behavior are greater the longer patients are in treatment. The National Institute on Drug Abuse (NIDA) Drug Abuse Treatment Outcome Study found that drug-offense arrests decline because OTP patients reduce or stop buying and using illegal drugs. Arrests for predatory crimes decline because OTP patients no longer need to finance a costly illicit drug addiction and because treatment allows many patients to stabilize their lives and obtain employment. We see this success story played out time and again with our own patients.

Q: Is methadone related in any way to the "meth" that one sees in the news?

Absolutely not. Methadone is in no way related to "meth," which is the nickname for methamphetamine. Methadone is a legal opioid produced by pharmaceutical companies for the relief of pain and for use in the treatment of opioid abuse. Methamphetamine – or "crystal meth" as it is commonly known – is a non-opioid, illegal stimulant and drug of addiction (i.e., "crank" or "speed"). It is typically manufactured in rural areas (or in other countries and imported illegally) in illegal "meth labs." The effects of the two drugs could not be more different. In much the same way that hydrocortisone and hydrocodone have absolutely nothing in common beyond the prefix "hydro" in their name (the former is a topical ointment for allergic reactions and the latter is an opioid), methadone and methamphetamine have nothing in common beyond the first syllable in their names.

Q: Why do we need an opioid treatment facility in this community?

Drug addiction ignores every socio-economic variable and finds its way into all communities. Treating addiction is far less costly than ignoring addiction. Demographic data on patients indicates that the vast majority of patients in treatment have long associations with the community as a person struggling with their disease. It is far better to provide and encourage treatment of the addicted patient than to ignore the problem and live in the community with those untreated. If left untreated, drug use will certainly not go away, and it will impact the community through public health diseases like tuberculosis, sexually transmitted diseases, HIV, and hepatitis. Additional community costs include unpaid emergency room visits, admission to medical and psychiatric facilities, criminal activities of active addicts supporting their addiction, and incarceration.

Q: Are you just substituting one drug for another?

No. Methadone maintenance therapy is much like using "The Patch" or nicotine gum to quit smoking. Cigarette smokers are addicted to nicotine. It is exceedingly difficult to quit smoking by going "cold turkey." So, instead, many people use "The Patch" or nicotine gum to regulate and control their nicotine cravings while they learn to live without cigarettes. Eventually, they are weaned off of the nicotine replacement and are able to live completely cigarette- and nicotine-free. Methadone treatment is akin to "The Patch" for persons with opioid dependency. Methadone regulates and controls their cravings while they learn to live without drugs and abandon the harmful lifestyle that accompanies drug use. The only difference between a nicotine addiction and an opioid addiction is the substance abused and the nature of the addiction.

Methadone is not a substitute "high" or short-acting opioid like heroin or pain pills. Methadone is a long-acting opioid, and it simply relieves the patient's physiological opioid craving. Methadone normalizes the body's metabolic and hormonal functioning that was impaired by the use of illicit opioids. Unlike the disruptive nature of short-acting chemicals on the brain, methadone has long-acting properties that provide metabolic stability. In addition, methadone neutralizes the euphoric effects of other opioids, leaving the patient with little desire to abuse illicit street drugs.

Unlike illicit drug use, when methadone is taken as prescribed, long-term administration causes no adverse effects to the heart, lungs, liver, kidneys, blood, bones, brain, or other vital body organs. Some mild side effects may arise during the initial phase of treatment, but they usually subside or disappear as the patient's dosage is adjusted and stabilized, or when simple medication interventions are initiated.

Q: We already have suboxone clinics in this area – why do we need methadone? Is methadone better than suboxone for treating opioid addiction?

For many individuals, suboxone (buprenorphine plus naloxone) is an effective first-option for opioid addiction treatment, but it does not work for all patients. This treatment modality is very similar to methadone treatment in that it involves the administration of a legal opioid (buprenorphine) to stabilize the biochemistry of the opioid-dependent person. The active ingredient, buprenorphine, is similar to methadone in that it is an opioid pharmaceutical with properties that make it effective for treating opioid addiction.

Suboxone treatment is most typically provided via physician office practices and in OTPs, such as the clinics BHG operates. We offer suboxone in some of our facilities for patients who may want to start with that option. In areas where we do not provide suboxone as an adjunct therapy, we work with non-OTP suboxone providers (who are limited to working only with suboxone in an office-based setting) on a referral basis, as we believe suboxone can be an appropriate first step for less severe forms of opioid addiction.

Importantly, our OTPs are much more highly regulated than the typical non-OTP suboxone practice. This is important, since suboxone – like any opioid – carries with it a potential for diversion, misuse, and overdose. Contrary to some claims, many communities have experienced problems with illicit or "street" forms of suboxone. Our OTPs are also much more comprehensive in terms of the services that are required for patients. Our patients are required to participate in behavioral therapy (counseling) as part of their treatment plan. This is not the case with most suboxone-only providers, who typically offer no such option.

Thus, suboxone can be effective for less serious addictions, but it tends to be less effective as a treatment for persons with more serious and long-term opioid addictions, and it does not work for many patients regardless of their addiction severity. As various authorities and government agencies have noted, "buprenorphine is unlikely to be as effective or more effective than optimal-dose methadone, and therefore may not be the treatment of choice for patients with higher levels of physical dependence on opioids." (U.S. Food and Drug Administration. FDA Talk Paper: Subutex and Suboxone approved to treat opiate dependence.) These studies further conclude that without the close monitoring, psychosocial therapy, and other rehabilitative services provided by OTP clinics, the long-term benefits of buprenorphine/suboxone for many patients must be cautiously considered. We have consistently found that a treatment program must treat both the chemical dependency and the behavioral issues to give persons struggling with addiction the optimal chance for success.

In the end, both methadone and suboxone are highly regarded as effective tools for opioid addiction, and to suggest anything less is to create a false choice between the two that only undermines the needs of patients.

Q: Why is BHG for-profit?

This question could be applied to many different types of healthcare companies. Why are physicians and many hospitals for profit? Why are dialysis centers and insulin manufacturers for profit? Non-profit providers provide an essential role in many health care and social service sectors, but as is true for many healthcare and social services, it is not only appropriate, but preferable, to have for-profit providers as an option for patients, for many reasons:

Higher competitiveness is one reason that the private sector succeeds in healthcare. The private sector is often more efficient (and, thus, lower cost) than the public/non-profit sector. In BHG's case, instead of relying on donations or taxpayer revenue to exist, our treatment facilities must be self-sustaining. As a result, we are very diligent when it comes to site selection and maintaining efficient operations. This also keeps us focused on customer satisfaction and on providing effective, prompt, and courteous service to patients. As a result, patient outcomes and satisfaction scores for private, for-profit entities often surpass those of public or non-profit entities.

In addition, BHG is built to last. If a non-profit or government program runs out of donations or taxpayer revenue, they are forced out of business. As a self-sustaining, for-profit business, we will be able to continue to serve our patients regardless of outside circumstances. We'll be here for our patients as long as they need us.

Q: What services do your OTPs offer?

Healthcare Services

- Medical histories, annual physical examinations, and blood chemistry analyses.
- Routine drug testing and medical treatment planning for the abuse of alcohol and non-opioid drugs.
- Diagnosis of and referral to other healthcare matters where applicable.
- Testing, treatment / counseling, and education for TB and HIV/AIDS.
- Health awareness, wellness, and nutrition education.

Social and Human Services

- Assessment and individual treatment planning to address psychosocial, substance abuse, and life needs.
- Crisis intervention, supportive counseling, group and family therapy, drug relapse prevention, cultural and gender sensitive support groups, and life skills training.
- Assistance in accessing applicable entitlements, legal advice, financial support, and stable housing.
- Therapeutic community and twelve-step fellowship approaches in confronting alcoholism and abuse of non-opiate substances.

Mental Health Services

- Assessments to identify mental health problems.
- Coordinating the use of other mental health medications for patients (with the patient's non-BHG physician).
- Linkages with resources and colleagues in the mental health community.

Educational and Vocational Services

- Diagnostic skills testing, education/equivalency assistance.
- Help with job finding skills, resume preparation, and patient referrals to training and job placement programs.

Assistance for Children and Families

- Family counseling and parenting education.
- Services to children of patients through "Children of Substance Abusers" (COSA) projects.
- Enhancement of healthy pregnancy outcomes for methadone treated patients.

HIV/AIDS Casework

- HIV counseling, prevention, and risk-reduction education.
- Support groups for persons who are HIV-positive.
- Liaison and advocacy with other agencies involved in delivering health, mental health, housing, and legal services to persons with HIV or AIDS.

APPLICANTS WITH HOSPITAL PROJECTS (CONSTRUCTION COST IN EXCESS OF $5 MILLION) AND OTHER FACILITY PROJECTS (CONSTRUCTION COST IN EXCESS OF $2 MILLION) SHOULD COMPLETE THE SQUARE FOOTAGE AND COSTS PER SQUARE FOOTAGE CHART....

Not applicable.

PLEASE ALSO DISCUSS AND JUSTIFY THE COST PER SQUARE FOOT FOR THIS PROJECT.

The proposed space is in good condition. Only simple renovation and modernization will be required. The estimated $372,540 renovation cost is only $70 PSF, to create 5,322 SF of clinic space:

Table One: This Project's Construction Costs			
	Renovation	**New Construction**	**Total Project**
Square Feet	5,322 SF	None	5,322 SF
Construction Cost	$372,540	None	$372,540
Constr. Cost PSF	$70	None	$70

The HSDA Registry does not maintain construction cost comparisons for this type of facility. However, the most recent similar projects approved by the HSDA were two BHG relocations in Memphis. Their costs were as follows:

Table Two: Comparable Projects Recently Approved by HSDA				
CON No.	**Project Name**	**SF of Renovation**	**Construction Cost PSF**	**Total Construction Cost**
CN1107-027	Memphis Center for Research & Addiction Treatment (BHG)	12,400 SF	$8.07 PSF	$100,000
CN1305-019	Raleigh Professional Associates (BHG)	7,350 SF	$70.00 PSF	$514,500

IF THE PROJECT INVOLVES NONE OF THE ABOVE, DESCRIBE THE DEVELOPMENT OF THE PROPOSAL.

Not applicable.

B.II.B. IDENTIFY THE NUMBER AND TYPE OF BEDS INCREASED, DECREASED, CONVERTED, RELOCATED, DESIGNATED, AND/OR REDISTRIBUTED BY THIS APPLICATION. DESCRIBE THE REASONS FOR CHANGE IN BED ALLOCATIONS AND DESCRIBE THE IMPACT THE BED CHANGE WILL HAVE ON EXISTING SERVICES.

Not applicable.

B.II.C. AS THE APPLICANT, DESCRIBE YOUR NEED TO PROVIDE THE FOLLOWING HEALTH CARE SERVICES (IF APPLICABLE TO THIS APPLICATION):

1. **ADULT PSYCHIATRIC SERVICES**
2. **ALCOHOL AND DRUG TREATMENT ADOLESCENTS >28 DAYS**
3. **BIRTHING CENTER**
4. **BURN UNITS**
5. **CARDIAC CATHETERIZATION SERVICES**
6. **CHILD AND ADOLESCENT PSYCHIATRIC SERVICES**
7. **EXTRACORPOREAL LITHOTRIPSY**
8. **HOME HEALTH SERVICES**
9. **HOSPICE SERVICES**
10. **RESIDENTIAL HOSPICE**
11. **ICF/MR SERVICES**
12. **LONG TERM CARE SERVICES**
13. **MAGNETIC RESONANCE IMAGING (MRI)**
14. **MENTAL HEALTH RESIDENTIAL TREATMENT**
15. **NEONATAL INTENSIVE CARE UNIT**
16. **NON-RESIDENTIAL METHADONE TREATMENT CENTERS**
17. **OPEN HEART SURGERY**
18. **POSITIVE EMISSION TOMOGRAPHY**
19. **RADIATION THERAPY/LINEAR ACCELERATOR**
20. **REHABILITATION SERVICES**
21. **SWING BEDS**

Not applicable. The application proposes only to move an existing licensed and accredited facility within the same sector of Jackson, within the same zip code. It does not propose to initiate services.

B.II.D. DESCRIBE THE NEED TO CHANGE LOCATION OR REPLACE AN EXISTING FACILITY.

The need to relocate the clinic can be stated simply. BHG feels that the proposed relocation is necessary to provide a higher quality physical environment for patients.This licensed outpatient healthcare facility is in a building it has occupied since 1994--for approximately twenty years. The roof has begun to leak water into the clinic during hard rains, and the aging heating and air conditioning have malfunctioned recently. Building improvements and maintenance desired by the applicant have not been scheduled by the building lessor. So the applicant and the building lessor have agreed that the applicant may move to another location.

The area and lease expense for the current and proposed locations are as follows:

Table Three: Comparison of Space and Lease Costs		
	Current Location	**Proposed Location**
Space Leased	4,900 SF	5,322 SF
Annual Lease Expense	$59,844 ($4,987 per mo.)	$74,508 ($6,209 per mo.)
Lease Cost PSF	$12.21 PSF	$14.00 PSF

B.II.E. DESCRIBE THE ACQUISITION OF ANY ITEM OF MAJOR MEDICAL EQUIPMENT (AS DEFINED BY THE AGENCY RULES AND THE STATUTE) WHICH EXCEEDS A COST OF $1.5 MILLION; AND/OR IS A MAGNETIC RESONANCE IMAGING SCANNER (MRI), POSITRON EMISSION TOMOGRAPHY (PET) SCANNER, EXTRACORPOREAL LITHOTRIPTER AND/OR LINEAR ACCELERATOR BY RESPONDING TO THE FOLLOWING:

1. For fixed site major medical equipment (not replacing existing equipment):

- **a. Describe the new equipment, including:**
  1. **Total Cost (As defined by Agency Rule);**
  2. **Expected Useful Life;**
  3. **List of clinical applications to be provided; and**
  4. **Documentation of FDA approval.**
- **b. Provide current and proposed schedule of operations.**

2. For mobile major medical equipment:

- **a. List all sites that will be served;**
- **b. Provide current and/or proposed schedule of operations;**
- **c. Provide the lease or contract cost;**
- **d. Provide the fair market value of the equipment; and**
- **e. List the owner for the equipment.**

3. Indicate applicant's legal interest in equipment (e.g., purchase, lease, etc.) In the case of equipment purchase, include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Not applicable; no major medical equipment is proposed.

B.III.A. ATTACH A COPY OF THE PLOT PLAN OF THE SITE ON AN 8-1/2" X 11" SHEET OF WHITE PAPER WHICH MUST INCLUDE:

1. **SIZE OF SITE (IN ACRES);**
2. **LOCATION OF STRUCTURE ON THE SITE;**
3. **LOCATION OF THE PROPOSED CONSTRUCTION; AND**
4. **NAMES OF STREETS, ROADS OR HIGHWAYS THAT CROSS OR BORDER THE SITE.**

PLEASE NOTE THAT THE DRAWINGS DO NOT NEED TO BE DRAWN TO SCALE. PLOT PLANS ARE REQUIRED FOR ALL PROJECTS.

See Attachment B.III.A.

B.III.B.1. DESCRIBE THE RELATIONSHIP OF THE SITE TO PUBLIC TRANSPORTATION ROUTES, IF ANY, AND TO ANY HIGHWAY OR MAJOR ROAD DEVELOPMENTS IN THE AREA. DESCRIBE THE ACCESSIBILITY OF THE PROPOSED SITE TO PATIENTS/CLIENTS.

The new location is just as accessible to service area counties as the current location. The clinic's current site is within sight of Exit 82 from I-40, the region's largest roadway. This proposed site is accessed via the same interstate exit, but involves driving five minutes east on city streets, for only 1.5 miles.

For patients coming from other directions, not involving I-40, there are excellent Federal and State highways radiating from Jackson in all directions. These include U.S. Highways 45, 412, and 70, and State Road 18.

There is municipal bus service at both the current site and at the proposed site. However, almost all patients come by private vehicle.

Table 4-A below shows the drive times and distances between the county seats of the primary service area counties, and both the current and proposed sites of this clinic. The two sites are both approximately one half-hour average drive time from the major communities in the primary service area.

Table 4-B below shows drive times and distances between the proposed Jackson site and the six other licensed non-residential opiate treatment clinics in West Tennessee. Five of them are BHG facilities. As a group, the other facilities are approximately an hour's average drive time from the Jackson site.

Table Four-A: Mileage and Drive Times From Applicant's Current and Proposed Sites to Major Communities in the Primary Service Area					
		To Proposed Site		To Current Site	
County	**City**	**Miles**	**Minutes**	**Miles**	**Minutes**
Chester	Henderson	21.4 miles	30	21.7 miles	28
Crockett	Alamo	20.9 miles	24	19.2 miles	23
Gibson	Humboldt	13.1 miles	18	13.6 miles	17
Gibson	Milan	20.6 miles	27	21.1 miles	27
Henderson	Lexington	26.9 miles	28	28.6 miles	30
Hardeman	Bolivar	31.7 miles	42	31.9 miles	40
Hardin	Savannah	56.2 miles	72	56.4 miles	69
Madison	Jackson (center)	4.5 miles	9	5.0 miles	8
McNairy	Selmer	40.4 miles	49	40.6 miles	47
Average Drive Time			*33.2*		*32.1*

Source: Google Maps, April 9, 2014.

Table Four-B: Distances and Drive Times Between Project and Other OTP Clinics in West Tennessee (Listed Below Table)					
Dyersburg	**Paris**	**Savannah**	**Memphis-1**	**Memphis-2**	**Memphis-3**
48.0 miles	62.7 miles	57.5 miles	81.1 miles	79.4 miles	72.7 miles
47 minutes	70 minutes	74 minutes	73 minutes	73 minutes	66 minutes

Source: Google Maps, April 9, 2014.

BHG Dyersburg Treatment Center
640 Highway 51 Bypass East, Suite M, Dyersburg TN 38024

BHG Paris Treatment Center
2555 East Wood Street, Paris TN 38242

Solutions of Savannah
85 Harrison Street, Savannah TN 38372

1-BHG Memphis South Treatment Center
3041 Getwell Road, Suite 101, Building A, Memphis TN 38118

2-BHG Midtown Treatment Center
1734 Madison Avenue, Memphis TN 38104

3-BHG Memphis North Treatment Center
2960-B Austin Peay Highway, Memphis 38128 (Licensure Current Address)
2165 Spicer Cove, Suite 9, Memphis TN 38134 (CON Approved New Address)

B.IV. ATTACH A FLOOR PLAN DRAWING FOR THE FACILITY WHICH INCLUDES PATIENT CARE ROOMS (NOTING PRIVATE OR SEMI-PRIVATE), ANCILLARY AREAS, EQUIPMENT AREAS, ETC.

See attachment B.IV.

IV. FOR A HOME CARE ORGANIZATION, IDENTIFY....

Not applicable. The application is not for a home care organization.

C(I) NEED

C(I).1. DESCRIBE THE RELATIONSHIP OF THIS PROPOSAL TO THE IMPLEMENTATION OF THE STATE HEALTH PLAN AND TENNESSEE'S HEALTH: GUIDELINES FOR GROWTH.

A. PLEASE PROVIDE A RESPONSE TO EACH CRITERION AND STANDARD IN CON CATEGORIES THAT ARE APPLICABLE TO THE PROPOSED PROJECT. DO NOT PROVIDE RESPONSES TO GENERAL CRITERIA AND STANDARDS (PAGES 6-9) HERE.

B. APPLICATIONS THAT INCLUDE A CHANGE OF SITE FOR A HEALTH CARE INSTITUTION, PROVIDE A RESPONSE TO GENERAL CRITERION AND STANDARDS (4)(a-c).

General Criteria for Change of Site

(4) Applications for Change of Site. When considering a certificate of need application which is limited to a request for a change of site for a proposed new health care institution, the Agency may consider, in addition to the foregoing factors, the following factors:

(a) ***Need.*** **The applicant should show the proposed new site will serve the health care needs in the area to be served at least as well as the original site. The applicant should show that there is some significant legal, financial, or practical need to change the proposed site.**

There is a practical need to move the facility. The applicant has leased space in the building for two decades. The building is aging, and is developing roof leaks and HVAC problems.

The proposed new location is approximately 1.5 miles from the current site, within the same city and zip code (38104), and is accessible from the same I-40 exit that is used by many of this clinic's out-of-town patients. Patients can find it, park, and enter the building easily. The building is in very good condition and is well maintained. Moving to such an improved facility will improve patient experience during this type of care.

(b) ***Economic Factors.*** **The applicant should show that the proposed new site would be at least as economically beneficial to the population to be served as the original site.**

The proposed relocation will have no impact on patient charges for care.

(c) Contribution to the orderly development of health care facilities and/or services. The applicant should address any potential delays that would be caused by the proposed change of site, and show that any such delays are outweighed by the benefit that will be gained from the change of site by the population to be served.

The applicant can complete renovation and preparation of the proposed location, while operating the program at its current location. The program will be relocated over a weekend. There will not be disruptive delays in any type of service--either counseling, dosing or testing.

Project-Specific Review Criteria: Non-Residential Methadone Treatment Facilities

Note: These Guidelines requiring the applicant's response are very old Guidelines that pre-date the TDH Commissioner's 2002 Report to the General Assembly on methadone programs. That Report drew on all available expert literature and concerned State agencies and healthcare professionals, and concluded that these Guidelines were obsolete and in need of updating.

Since that time, the Tennessee Department of Mental Health and Substance Abuse Services has assumed responsibility for licensing and strict oversight of methadone programs in Tennessee, through its Methadone Authority office. The General Assembly has recently passed updated legislation addressing these programs, and the Department has recently promulgated detailed, updated rules and regulations that tightly control the quality of the programs. The applicant is owned by a company that is Tennessee's largest provider of OTP services through nine clinics across the State. All are accredited and all comply with Tennessee's high licensing standards.

A non-residential narcotic treatment facility should provide adequate medical, counseling, vocational, educational, mental health assessment, and social services to patients enrolled in the opioid treatment program with the goal of the individual becoming free of opioid dependency.

Complies. The project follows strict rules of the Department of Mental Health and Substance Abuse Services in all the above categories of its operation. As required by State rules, the clinic is medically supervised by a Board-certified physician Medical Director who has extensive experience and expertise in opioid dependency. The program

The assessment should also include:
1. A description of the geographic area to be served by the program;
2. Population of the area to be served;
3. The estimated number of persons, in the described area, addicted to heroin or other opioid drugs and an explanation of the basis of the estimate;
4. The estimated number of persons, in the described area, addicted to heroin or other opioid drugs presently under treatment in methadone and other treatment programs;
5. Projected rate of intake and factors controlling intake;
6. Compare estimated need to existing capacity.

Not applicable. There is no needs assessment required for a relocation of an existing provider. However, the applicant has provided service area and population data in other parts of this application.

Also, consideration should be given to the reality that existing facilities can expand or reduce their capacity to maintain or treat patients without large changes in overhead.

Not applicable to a change in site application for an OTP facility. It should also be noted that a CON review cannot identify or verify the ability of alternative OTP providers to provide such expansions without large changes in overhead.

Service Area

The geographic service area should be reasonable and based on an optimal balance between population density and service proximity.

Complies. The applicant's proposed service area was defined by recent historical utilization of the applicant's own program.

The relationship of the socio-demographics of the service area and the projected population to receive services should be considered. The proposal's sensitivity to and the responsiveness to the special needs of the service area should be considered including accessibility to consumers, particularly women, racial and ethnic minorities, and low-income groups.

Complies. Opioid dependency occurs in every adult age group and socio-economic level of our population. There is no particular age group between 20 and 64 that merits special consideration. Older persons rarely enter this program because their

opioid dependencies usually have caused their deaths before age 65; dependent persons typically have 30-40% shorter life expectancies than their peers. For example, in this Jackson facility, only 1% have been 65 years of age or older.

The BHG Jackson Treatment Center programs are open to all of the above-named "special needs" groups. Gender, race, ethnicity, and income are not considered in admission decisions. In a study of the increasing national abuse of pain relief medications from 1994 through 2008, the U.S. Substance Abuse and Mental Health Services Administration stated that *"Increases in percentages of admissions [to hospital ER's] reporting pain reliever abuse cut across age, gender, race/ethnicity, education, employment, and region."* (TEDS Report, July 15, 2010). Admission to this clinic's program is based solely on clinical criteria and the prospective patient's commitment to comply with the requirements of the treatment program (drug testing, counseling, daily purchase and ingestion of prescribed medication, absence of prohibited substances in the blood, consent to coordinate care, etc.).

It should be noted that to be eligible to enter opioid treatment programs, all persons must be found to be opioid-dependent for more than a year. This means that the vast majority of opioid-dependent persons have been actively purchasing illicit drugs (that are four to six times more expensive) on the street. Switching to structured replacement therapy with methadone or burprenorphine reduces their expenses (unless the commute to the clinic imposes such steep transportation expenses that then offset those savings). Thus, having a private-pay program is not a barrier to care; and it is the norm in Tennessee programs. Users tend to have sufficient incomes to afford this program. That seems to be why Tennessee State Government declines to help TennCare-eligible adults over 20 years of age pay for methadone maintenance in a State-approved program, although it licenses and strictly regulates those programs.

Relationship to Existing Applicable Plans

The proposal's estimate of the number of patients to be treated, anticipated revenue from the proposed project, and the program funding source with description of the organizational structure of the program delineating the person(s) responsible for the program, should be considered.

Complies. The projection is consistent with current and historical utilization trends of the facility that seeks to relocate. All facility revenue is private pay. The project funding will come from the applicant LLC. The structure of the program is detailed in the Program Summary.

The persons responsible on a daily basis for the program's operation will be the Program Director. BHG's Regional Director and a Director of Quality Compliance and Assurance will continually monitor the facility and Director and assist as needed.

The proposal's relationship to policy as formulated in local and national plans, including need methodologies, should be considered.

Complies. The applicant does not know of a formal "need methodology" either locally or nationally. In Tennessee, however, the 2002 Commissioner's Report has been the de facto State policy guide regarding the need for OTP's, and it calls for Statewide distribution of licensed OTP's at convenient locations within an hour's drive time of patients. Federal agencies consistently endorse regulated opioid treatment programs as the most effective means of dealing with the major national problem with opioid dependency.

This project simply allows an existing, accredited, licensed program to continue in operation after moving to a location nearby.

The proposal's relationship to underserved geographic areas and underserved population groups, as identified in local plans and other documents, should be a significant consideration.

Not applicable. The change of site is not subject to review as to need.

The impact of the proposal on similar services supported by State appropriations should be assessed and considered.

There are no similar facilities in the service area that are supported by State appropriation. No Tennessee OTP programs will be adversely impacted by this proposed change of site of an existing OTP facility.

The applicant has no means of identifying project impact on the treatment of opioid dependents who are admitted to residential programs in hospitals or other facilities who might be covered by TennCare or Medicare. However, these inpatient programs are much more expensive than licensed nonresidential OTP's operated by this applicant.

The degree of projected financial participation in the Medicare and TennCare programs should be considered.

The applicant will not contract with Medicare or TennCare because so few patients aged 65+, and so few eligible TennCare enrollees 18-20 years of age (18 is the minimum age for the clinic and 20 is the maximum age for TennCare) seek enrollment for treatment. However, both groups will be served on a private pay basis and TennCare patients aged 18-20 are eligible to claim reimbursement from their MCO's. See Section A.13 for a more complete discussion.

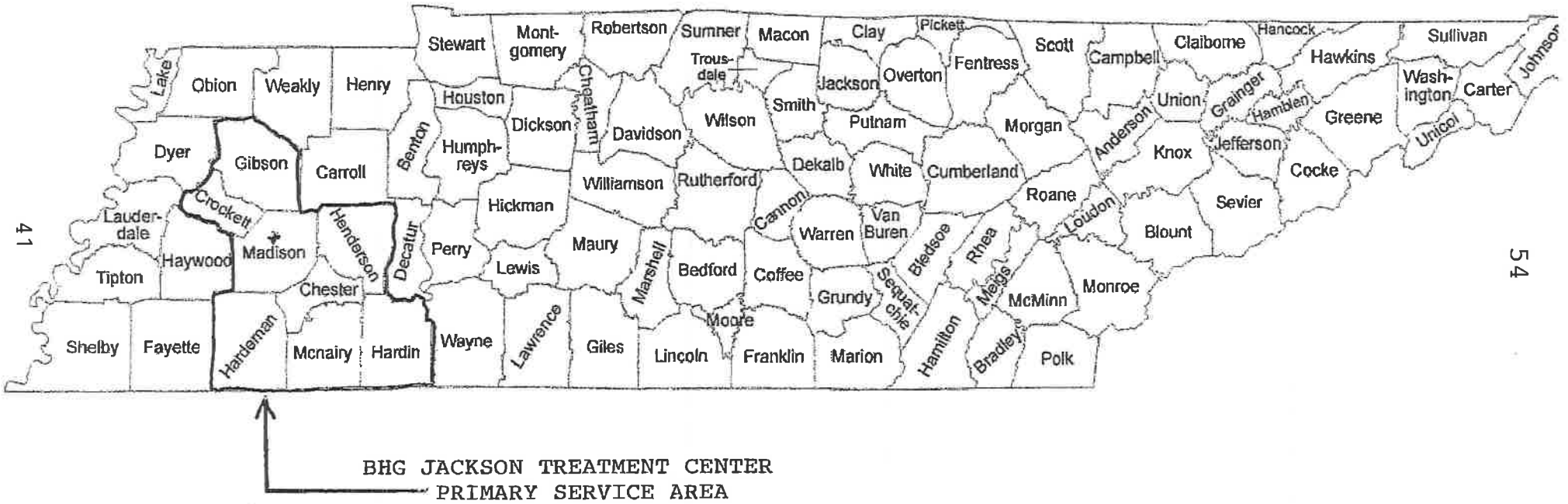
C(I).3. IDENTIFY THE PROPOSED SERVICE AREA AND JUSTIFY THE REASONABLENESS OF THAT PROPOSED AREA. SUBMIT A COUNTY-LEVEL MAP INCLUDING THE STATE OF TENNESSEE CLEARLY MARKED TO REFLECT THE SERVICE AREA. PLEASE SUBMIT THE MAP ON A 8-1/2" X 11" SHEET OF WHITE PAPER MARKED ONLY WITH INK DETECTABLE BY A STANDARD PHOTOCOPIER (I.E., NO HIGHLIGHTERS, PENCILS, ETC.).

In CY2013, BHG Jackson Treatment Center had a primary service area of eight counties encircling Jackson. They were Chester, Crockett, Gibson, Henderson, Hardeman, Hardin, Madison, and McNairy Counties. Those counties contributed approximately 79% of total Clinic patients; no other county contributed as much as 1.5% of the total. Madison County alone contributed approximately 41% of all patients. The secondary service area, which contributed approximately 11% of the patients, consisted of 20 other Tennessee counties and communities in 6 other States. The applicant does not project any change in its eight-county primary service area or this most recent patient origin data, in the foreseeable future.

Table Five, following this page, provides the CY2013 (July-Dec) patient origin data by county. A service area map showing the location of the service within the State of Tennessee is provided after the Table and also in Attachment C, Need--3 at the back of the application, along with city maps illustrating the proximity of the current and proposed locations.

Table Five: BHG Jackson Patient Origin 7-1-13 through 12-31-13					
County	PSA or SSA	Patients	Cumulative Patients	County %	Cumulative %
Madison	PSA	171	171	41.1%	41.1%
Chester	PSA	33	204	7.9%	49.0%
McNairy	PSA	33	237	7.9%	57.0%
Gibson	PSA	28	265	6.7%	63.7%
Henderson	PSA	21	286	5.0%	68.8%
Hardin	PSA	19	305	4.6%	73.3%
Hardeman	PSA	12	317	2.9%	76.2%
Crockett	PSA	10	327	2.4%	78.6%
Decatur	SSA	6	333	1.4%	80.0%
Lauderdale	SSA	6	339	1.4%	81.5%
Dyer	SSA	5	344	1.2%	82.7%
Haywood	SSA	5	349	1.2%	83.9%
Henry	SSA	5	354	1.2%	85.1%
Bedford	SSA	4	358	1.0%	86.1%
Carroll	SSA	4	362	1.0%	87.0%
Obion	SSA	4	366	1.0%	88.0%
Benton	SSA	3	369	0.7%	88.7%
Fayette	SSA	3	372	0.7%	89.4%
Weakley	SSA	3	375	0.7%	90.1%
Coffee	SSA	2	377	0.5%	90.6%
Humphreys	SSA	1	378	0.2%	90.9%
Knox	SSA	1	379	0.2%	91.1%
Lake	SSA	1	380	0.2%	91.3%
Perry	SSA	1	381	0.2%	91.6%
Shelby	SSA	1	382	0.2%	91.8%
Sumner	SSA	1	383	0.2%	92.1%
Wayne	SSA	1	384	0.2%	92.3%
Wilson	SSA	1	385	0.2%	92.5%
Wilson	SSA	1	386	0.2%	92.8%
Other States	SSA	30	416	7.2%	100.0%

Source: Clinic records. Unshaded counties constitute the Primary Service Area.



BHG JACKSON TREATMENT CENTER
PRIMARY SERVICE AREA

C(I).4.A DESCRIBE THE DEMOGRAPHICS OF THE POPULATION TO BE SERVED BY THIS PROPOSAL.

This rural West Tennessee healthcare facility primarily serves the adult population, 18-64 years of age. It does not accept patients below the age of 18; and it only rarely is asked to serve an elderly patient of Medicare age.

See Table Six on the following page for demographic trends in the primary service area population, compared to the statewide population.

The table shows that in the eight-county primary service area and the State of Tennessee, the populations aged 18-64 will increase 0.4% and 2.5% respectively, between 2014 and 2018. This working-age adult cohort now constitutes approximately 60.6% of the total population of the primary service area. That percentage will show a negligible decline to 60.0% between now and 2018.

The service area has slightly lower poverty rates than the State: 15.9% compared to 17.3%. But a higher percent of the primary service area population is in TennCare: 21.7% compared to 18.4% Statewide.

Table Six: Demographic Characteristics of Primary Service Area--Age Cohorts 18-64, 65+, All Ages
BHG Jackson Treatment Center (REVISED ON FIRST SUPPLEMENTAL RESPONSE)
2014-2018

Demographic	CHESTER County	CROCKETT County	GIBSON County	HARDEMAN County	HARDIN County	HENDERSON County	MADISON County	MCNAIRY County	TENNESSEE PSA	STATE OF TENNESSEE
Median Age-2010 US Census	36.2	39.6	39.9	39.2	43.5	39.7	36.8	41.6	40	38.0
Total Population-2014	17,472	14,596	51,102	26,359	26,012	28,186	99,555	26,582	289,864	6,588,698
Total Population-2018	17,999	14,683	52,163	26,067	26,244	28,631	101,001	27,299	294,087	6,833,509
Total Population-% Change 2014 to 2018	3.0%	0.6%	2.1%	-1.1%	0.9%	1.6%	1.5%	2.7%	1.5%	3.7%
Age 65+ Population-2014	2,749	2,550	8,788	4,230	5,397	4,737	14,350	5,064	47,865	981,984
% of Total Population	15.7%	17.5%	17.2%	16.0%	20.7%	16.8%	14.4%	19.1%	16.5%	14.9%
Age 65+ Population-2018	2,926	2,644	9,211	4,550	5,832	5,232	15,838	5,465	51,698	1,102,413
% of Total Population	16.3%	18.0%	17.7%	17.5%	22.2%	18.3%	15.7%	20.0%	17.6%	16.1%
Age 65+ Population-% Change 2014-2018	6.4%	3.7%	4.8%	7.6%	8.1%	10.4%	10.4%	7.9%	8.0%	12.3%
Age 18-64 Population-2014	10,875	8,533	30,026	16,881	15,275	16,976	61,626	15,596	175,788	4,101,723
% of Total Population	62.2%	58.5%	58.8%	64.0%	58.7%	60.2%	61.9%	58.7%	60.6%	62.3%
Age 18-64 Population-2018	11,169	8,648	30,782	16,461	15,093	17,160	61,248	15,884	176,445	4,204,944
% of Total Population	62.1%	58.9%	59.0%	63.1%	57.5%	59.9%	60.6%	58.2%	60.0%	61.5%
Age18-64 Population-% Change 2014-2018	2.7%	1.3%	2.5%	-2.5%	-1.2%	1.1%	-0.6%	1.8%	0.4%	2.5%
Median Household Income	$42,097	$37,601	$36,981	$31,963	$33,044	$37,784	$42,348	$33,066	$36,860.50	$44,140
TennCare Enrollees (12/13)	3,355	3,456	11,111	6,058	6,164	5,963	20,076	6,714	62,897	1,211,113
Percent of 2014 Population Enrolled in TennCare	19.2%	23.7%	21.7%	23.0%	23.7%	21.2%	20.2%	25.3%	21.7%	18.4%
Persons Below Poverty Level (2012)	2,953	2,802	9,505	6,063	5,775	4,933	18,219	6,247	56,495	1,139,845
Persons Below Poverty Level As % of Population (US Census)	16.9%	19.2%	18.6%	23.0%	22.2%	17.5%	18.3%	23.5%	19.9%	17.3%

Sources: TDH Population Projections, May 2013; U.S. Census QuickFacts and FactFinder2;
TennCare Bureau. PSA data is unweighted average or total of county data.
NR means not reported in U.S. Census source document.

C(I).4.B. DESCRIBE THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION, INCLUDING HEALTH DISPARITIES, THE ACCESSIBILITY TO CONSUMERS, PARTICULARLY THE ELDERLY, WOMEN, RACIAL AND ETHNIC MINORITIES, AND LOW-INCOME GROUPS. DOCUMENT HOW THE BUSINESS PLANS OF THE FACILITY WILL TAKE INTO CONSIDERATION THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION.

Opioid addiction is found in all ages and socioeconomic and ethnic groups. The services of this facility are, and will continue to be, provided to all members of the above groups who qualify medically and who accept the disciplines of the program.

Financial accessibility is broadly assured, and better than other alternatives, because the monthly costs of obtaining substitution medications in a structured program like this are significantly lower than the same patients had been paying in cash for access to illicitly sold pharmaceuticals "on the street".

C(I).5. DESCRIBE THE EXISTING OR CERTIFIED SERVICES, INCLUDING APPROVED BUT UNIMPLEMENTED CON'S, OF SIMILAR INSTITUTIONS IN THE SERVICE AREA. INCLUDE UTILIZATION AND/OR OCCUPANCY TRENDS FOR EACH OF THE MOST RECENT THREE YEARS OF DATA AVAILABLE FOR THIS TYPE OF PROJECT. BE CERTAIN TO LIST EACH INSTITUTION AND ITS UTILIZATION AND/OR OCCUPANCY INDIVIDUALLY. INPATIENT BED PROJECTS MUST INCLUDE THE FOLLOWING DATA: ADMISSIONS OR DISCHARGES, PATIENT DAYS, AND OCCUPANCY. OTHER PROJECTS SHOULD USE THE MOST APPROPRIATE MEASURES, E.G., CASES, PROCEDURES, VISITS, ADMISSIONS, ETC.

The applicant is one of only two State-licensed OTP facilities in rural West Tennessee. The other OTP facility in the primary service area is Solutions of Savannah. The applicant has not been able to obtain its utilization data from the Department of Mental Health and Substance Abuse Services, as of the date of this application.

C(I).6. PROVIDE APPLICABLE UTILIZATION AND/OR OCCUPANCY STATISTICS FOR YOUR INSTITUTION FOR EACH OF THE PAST THREE (3) YEARS AND THE PROJECTED ANNUAL UTILIZATION FOR EACH OF THE TWO (2) YEARS FOLLOWING COMPLETION OF THE PROJECT. ADDITIONALLY, PROVIDE THE DETAILS REGARDING THE METHODOLOGY USED TO PROJECT UTILIZATION. THE METHODOLOGY MUST INCLUDE DETAILED CALCULATIONS OR DOCUMENTATION FROM REFERRAL SOURCES, AND IDENTIFICATION OF ALL ASSUMPTIONS.

The applicant's utilization for the past three years is shown in the table below. The statistics provided are those presented by BHG in its recently approved CON applications to relocate two BHG clinics within the Memphis area. Patients who have been demonstrated compliance with the program are permitted limited and carefully monitored home dosing, as described in an earlier part of the application. "Encounters" is an estimate of annual medication administered to the recorded average daily census during each year.

Table Seven-A: Utilization of BHG Jackson Treatment Center 2011-2013			
Utilization Statistic	**2011**	**2012**	**2013**
Average Daily Patient Census for the Year	NA	298	290
Encounters (Doses) During the Year	NA	108,770	105,850

Source: BHG Jackson management.

BHG Jackson Treatment Center projects maintaining level utilization during the next three years; an average daily patient census of 295 patients is projected for each of the next three years, 2014 through 2016, consistent with early 2014 experience.

Table Seven-B: Projected Utilization of BHG Jackson Treatment Center 2014-2016			
	2014	**2015**	**2016**
Average Daily Census for the Year	295	295	295
Encounters (Doses) During the Year	107,675	107,675	107,675

C(II)1. PROVIDE THE COST OF THE PROJECT BY COMPLETING THE PROJECT COSTS CHART ON THE FOLLOWING PAGE. JUSTIFY THE COST OF THE PROJECT.

• ALL PROJECTS SHOULD HAVE A PROJECT COST OF AT LEAST $3,000 ON LINE F (MINIMUM CON FILING FEE). CON FILING FEE SHOULD BE CALCULATED ON LINE D.

• THE COST OF ANY LEASE (BUILDING, LAND, AND/OR EQUIPMENT) SHOULD BE BASED ON FAIR MARKET VALUE OR THE TOTAL AMOUNT OF THE LEASE PAYMENTS OVER THE INITIAL TERM OF THE LEASE, WHICHEVER IS GREATER. NOTE: THIS APPLIES TO ALL EQUIPMENT LEASES INCLUDING BY PROCEDURE OR "PER CLICK" ARRANGEMENTS. THE METHODOLOGY USED TO DETERMINE THE TOTAL LEASE COST FOR A "PER CLICK" ARRANGEMENT MUST INCLUDE, AT A MINIMUM, THE PROJECTED PROCEDURES, THE "PER CLICK" RATE AND THE TERM OF THE LEASE.

• THE COST FOR FIXED AND MOVEABLE EQUIPMENT INCLUDES, BUT IS NOT NECESSARILY LIMITED TO, MAINTENANCE AGREEMENTS COVERING THE EXPECTED USEFUL LIFE OF THE EQUIPMENT; FEDERAL, STATE, AND LOCAL TAXES AND OTHER GOVERNMENT ASSESSMENTS; AND INSTALLATION CHARGES, EXCLUDING CAPITAL EXPENDITURES FOR PHYSICAL PLANT RENOVATION OR IN-WALL SHIELDING, WHICH SHOULD BE INCLUDED UNDER CONSTRUCTION COSTS OR INCORPORATED IN A FACILITY LEASE.

• FOR PROJECTS THAT INCLUDE NEW CONSTRUCTION, MODIFICATION, AND/OR RENOVATION; DOCUMENTATION MUST BE PROVIDED FROM A CONTRACTOR AND/OR ARCHITECT THAT SUPPORT THE ESTIMATED CONSTRUCTION COSTS.

The architect's letter supporting the construction cost estimate is provided in Attachment C, Economic Feasibility--1. On the Project Costs Chart, following this response:

Line A.1, A&E fees, were estimated by BHG management.

Line A.2, legal, administrative, and consultant fees, include a contingency for expenses of dealing with potential opposition in hearings, as well as for legal costs of negotiating agreements for space and services.

Line A.5, construction cost, was estimated by BHG development staff, based on preliminary drawings, inspection of the building site, and current experience with similar projects.

Line A.6, contingency, was estimated at 5% of construction costs in line A.5.

Lines A.8 provides for an allowance for new equipment and furnishings for the expanded space.

Line A.9 includes such costs as information systems and telecommunications installations.

Line B1 is the lease outlay for the space during the first term of the lease (10.5 years). It exceeds the fair market value calculation for the space. Please see the spreadsheet calculations attached after the Project Cost Chart.

PROJECT COSTS CHART -- BHG JACKSON CHANGE OF SITE

A.	Construction and equipment acquired by purchase:		
1.	Architectural and Engineering Fees	8% of A5	$ 29,803
2.	Legal, Administrative, Consultant Fees (Excl CON Filing)		50,000
3.	Acquisition of Site		0
4.	Preparation of Site		0
5.	Construction Cost	5,322 SF @ $70 PSF	372,540
6.	Contingency Fund	5% of A5	18,627
7.	Fixed Equipment (Not included in Construction Contract)		0
8.	Moveable Equipment (List all equipment over $50,000)		35,000
9.	Other (Specify)	IT, telecomm, misc.	20,000
B.	Acquisition by gift, donation, or lease:		
1.	Facility (inclusive of building and land)	10-yr lease outlay	745,080
2.	Building only		0
3.	Land only		0
4.	Equipment (Specify)		0
5.	Other (Specify)		0
C.	Financing Costs and Fees:		
1.	Interim Financing		0
2.	Underwriting Costs		0
3.	Reserve for One Year's Debt Service		0
4.	Other (Specify)		0
D.	Estimated Project Cost (A+B+C)		1,271,050
E.	CON Filing Fee		3,000
F.	Total Estimated Project Cost (D+E)	**TOTAL $**	1,274,050

Actual Capital Cost	528,970
Section B FMV	745,080

BHG Jackson Lease Outlay Calculation (126 mo).; 6 mos. Free)			
Lease Year	Mo. Of Rent	Rent/Month	Outlay
1.0	6.00	$6,209.00	$37,254.00
2.0	12.00	$6,209.00	$74,508.00
3.0	12.00	$6,209.00	$74,508.00
4.0	12.00	$6,209.00	$74,508.00
5.0	12.00	$6,209.00	$74,508.00
6.0	12.00	$6,209.00	$74,508.00
7.0	12.00	$6,209.00	$74,508.00
8.0	12.00	$6,209.00	$74,508.00
9.0	12.00	$6,209.00	$74,508.00
10.0	12.00	$6,209.00	$74,508.00
11.00	6.00	$6,209.00	$37,254.00
		Total	**$745,080.00**

Lease Yr = Mar-Feb; starts Mar 1, 2013

ADC FMV Calculation		
Leasehold SF		5,322.00
Building SF		10,137.00
% Leased		52.5%
Bldg FMV		$575,000.00
Leasehold FMV		**$301,879.25**

C(II).2. IDENTIFY THE FUNDING SOURCES FOR THIS PROJECT.

a. PLEASE CHECK THE APPLICABLE ITEM(S) BELOW AND BRIEFLY SUMMARIZE HOW THE PROJECT WILL BE FINANCED. (DOCUMENTATION FOR THE TYPE OF FUNDING MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND IDENTIFIED AS ATTACHMENT C, ECONOMIC FEASIBILITY--2).

_____A. Commercial Loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;

_____B. Tax-Exempt Bonds--copy of preliminary resolution or a letter from the issuing authority, stating favorable contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;

_____C. General Obligation Bonds--Copy of resolution from issuing authority or minutes from the appropriate meeting;

_____D. Grants--Notification of Intent form for grant application or notice of grant award;

___x__E. Cash Reserves--Appropriate documentation from Chief Financial Officer; or

_____F. Other--Identify and document funding from all sources.

Attachment C, Economic Feasibility--2, contains a financing commitment letter from senior management of BHG, the applicant's parent, and documentation that there are sufficient resources to fund the project.

C(II).3. DISCUSS AND DOCUMENT THE REASONABLENESS OF THE PROPOSED PROJECT COSTS. IF APPLICABLE, COMPARE THE COST PER SQUARE FOOT OF CONSTRUCTION TO SIMILAR PROJECTS RECENTLY APPROVED BY THE HSDA.

The space to be leased is in good condition. The estimated $372,540 renovation cost is $70 PSF, to create 5,322 SF of clinic space.

The HSDA Registry does not maintain construction cost comparisons for this type of facility. However, the most recent similar projects approved by the HSDA were two BHG relocations in Memphis. Their costs were as follows:

Table Eight: Comparable Projects Recently Approved by HSDA

CON No.	Project Name	SF of Renovation	Construction Cost PSF	Total Construction Cost
CN1107-027	Memphis Center for Research & Addiction Treatment (BHG)	12,400 SF	$8.07 PSF	$100,000
CN1305-019	Raleigh Professional Associates (BHG)	7,350 SF	$70.00 PSF	$514,500

C(II).4. COMPLETE HISTORICAL AND PROJECTED DATA CHARTS ON THE FOLLOWING TWO PAGES--DO NOT MODIFY THE CHARTS PROVIDED OR SUBMIT CHART SUBSTITUTIONS. HISTORICAL DATA CHART REPRESENTS REVENUE AND EXPENSE INFORMATION FOR THE LAST THREE (3) YEARS FOR WHICH COMPLETE DATA IS AVAILABLE FOR THE INSTITUTION. PROJECTED DATA CHART REQUESTS INFORMATION FOR THE TWO YEARS FOLLOWING COMPLETION OF THIS PROPOSAL. PROJECTED DATA CHART SHOULD INCLUDE REVENUE AND EXPENSE PROJECTIONS FOR THE PROPOSAL ONLY (I.E., IF THE APPLICATION IS FOR ADDITIONAL BEDS, INCLUDE ANTICIPATED REVENUE FROM THE PROPOSED BEDS ONLY, NOT FROM ALL BEDS IN THE FACILITY).

See the following pages for these charts, with notes where applicable.

HISTORICAL DATA CHART -- BHG JACKSON TREATMENT CENTER
(CY2011 NOT AVAILABLE; FACILITY WAS UNDER OTHER OWNERSHIP)

Give information for the last three (3) years for which complete data are available for the facility or agency.
The fiscal year begins in Janauary.

		Year 2011	Year 2012	Year 2013
	Patients (ADC)	Na	298	290
A.	Utilization Data			
B.	Revenue from Services to Patients			
1.	Inpatient Services	$ Na		
2.	Outpatient Services		1,447,494	1,482,883
3.	Emergency Services			
4.	Other Operating Revenue			
	(Specify) See notes page			
	Gross Operating Revenue	$ Na	$ 1,447,494	$ 1,482,883
C.	Deductions for Operating Revenue			
1.	Contractual Adjustments	$	-	-
2.	Provision for Charity Care		21,712	22,243
3.	Provisions for Bad Debt		36,187	37,072
	Total Deductions	$	$ 57,900	$ 59,315
NET OPERATING REVENUE		$	$ 1,389,595	$ 1,423,568
D.	Operating Expenses			
1.	Salaries and Wages	$	622,943	509,740
2.	Physicians Salaries and Wages		56,373	71,593
3.	Supplies		47,849	55,797
4.	Taxes		60,719	44,598
5.	Depreciation		224,038	226,348
6.	Rent		59,844	59,844
7.	Interest, other than Capital		-	-
8.	Management Fees			
	a. Fees to Affiliates		-	-
	b. Fees to Non-Affiliates		-	-
9.	Other Expenses (Specify) See notes page		221,431	203,646
	Total Operating Expenses	$	1,293,197	1,171,566
E.	Other Revenue (Expenses) -- Net (Specify)	$	$	$
NET OPERATING INCOME (LOSS)		$	$ 96,398	$ 252,002
F.	Capital Expenditures			
1.	Retirement of Principal	$	$ -	$ -
2.	Interest		-	-
	Total Capital Expenditures	$	$ -	$ -
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$	$ 96,398	$ 252,002
NET OPERATING INCOME (LOSS) LESS NONCASH EXP.		$	$ 320,436	$ 478,350

Category of Expense	2012	2013
Insurance		
Insurance		
Liability & Contents	$ 6,810	$ 8,353
Workers Compensation	2,264	5,179
Employee Health/Dental/Vision	22,354	19,443
401k	4,044	6,028
Lab Fees	27,726	22,870
Maintenance	14,455	17,590
Training & Education	378	140
Security	37,865	29,668
Licenses & Permits	6,273	5,181
Office Expense	16,195	13,879
Utilities	22,721	12,363
Telecommunications	17,015	19,997
Practice Management Software	8,458	14,393
Miscellaneous	34,873	28,562
Corporate Overhead Allocation	-	-
Total	$ 221,431	$ 203,646

PROJECTED DATA CHART-- BHG JACKSON TREATMENT CENTER

Give information for the two (2) years following the completion of this proposal.
The fiscal year begins in January.

			CY 2015	CY 2016
		Encounters	107,675	107,675
A.	Utilization Data	Patients (ADC)	295	295
B.	Revenue from Services to Patients			
	1. Inpatient Services		$	
	2. Outpatient Services		1,534,000	$ 1,564,680
	3. Emergency Services		-	-
	4. Other Operating Revenue (Specify)	See notes page	-	-
		Gross Operating Revenue	$ 1,534,000	$ 1,564,680
C.	Deductions for Operating Revenue			
	1. Contractual Adjustments		$ -	$ -
	2. Provision for Charity Care	1.5%	23,010	23,470
	3. Provisions for Bad Debt	2.5%	38,350	39,117
		Total Deductions	$ 61,360	$ 62,587
NET OPERATING REVENUE			$ 1,472,640	$ 1,502,093
D.	Operating Expenses			
	1. Salaries and Wages		$ 554,621	$ 574,033
	2. Physicians Salaries and Wages		104,000	108,160
	3. Supplies		56,913	57,767
	4. Taxes		45,713	46,627
	5. Depreciation		22,092	22,092
	6. Rent		60,000	60,000
	7. Interest, other than Capital		-	-
	8. Management Fees			
	a. Fees to Affiliates		-	-
	b. Fees to Non-Affiliates		-	-
	9. Other Expenses (Specify)	See notes page	169,827	180,744
	Dues, Utilities, Insurance, and Prop Taxes.			
		Total Operating Expenses	$ 1,013,166	$ 1,049,423
E.	Other Revenue (Expenses) -- Net (Specify)		$ -	$ -
NET OPERATING INCOME (LOSS)			$ 459,474	$ 452,670
F.	Capital Expenditures			
	1. Retirement of Principal		$ -	$ -
	2. Interest		-	-
		Total Capital Expenditures	$ -	$ -
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES			$ 459,474	$ 452,670
NET OPERATING INCOME (LOSS) LESS NONCASH EXP.			$ 481,566	$ 474,762

Category of Expense	2015	2016
Insurance		
Insurance		
Liability & Contents	$ 8,500	$ 8,750
Workers Compensation	6,215	5,904
Employee Health/Dental/Vision	20,804	21,532
401k	6,628	7,228
Lab Fees	23,000	23,000
Maintenance	7,500	12,500
Training & Education	2,000	2,000
Security	1,380	1,380
Licenses & Permits	5,400	5,400
Office Expense	13,200	13,800
Utilities	10,200	10,800
Telecommunications	20,000	20,700
Practice Management Software	15,000	15,750
Miscellaneous	30,000	32,000
Corporate Overhead Allocation	-	-
Total	$ 169,827	$ 180,744

C(II).5. PLEASE IDENTIFY THE PROJECT'S AVERAGE GROSS CHARGE, AVERAGE DEDUCTION FROM OPERATING REVENUE, AND AVERAGE NET CHARGE.

Table Nine: BHG Jackson Treatment Center Projected Charge Data for Years One and Two		
	Year One	**Year Two**
Patients (Average Daily Census)	295	295
Average Gross Charge Per Patient	$5,200	$5,304
Average Deduction from Operating Revenue	$208	$212
Average Net Charge (Net Operating Revenue)	$4,992	$5,092

It is not possible to identify the average length of stay and average patient charge per program completion. Opioid treatment programs have varying lengths of stay and "completion" is not a concept applicable to all patients. Addiction has physical and psychological dimensions. Methadone addresses the physical addiction. In some cases it can allow brain receptors to begin operating more normally in 12 to 16 months. Its efficacy depends on how long the patient's addiction has existed, and the amounts and types of substances abused, prior to beginning treatment. If the patient's addiction has existed for years, brain receptors may be sufficiently altered such that lifetime medication maintenance is needed. Moreover, the psychological dimensions of addiction, reinforced by the patient's environment, often take a long time to deal with. Failure to progress in that area can lead to the resumption of addictive behavior. BHG encourages every patient to achieve and maintain sobriety--whether that be while maintaining maintenance with methadone, or after tapering off a daily medication maintenance regimen. While some patients do successfully taper off replacement medication, many patients find they need to be in a program indefinitely and are high functioning (drug and disease free) while remaining in treatment. BHG's analysis of its patients in 2010 indicated that 65% of them had been enrolled for more than one year, and 35% had been enrolled for a year or less. No other historical information is available. Some patients leave the program after a period of time for undisclosed reasons making it difficult to learn if a patient has moved to another similar clinic or a different type of treatment (e.g., inpatient treatment or intensive outpatient counseling).

C(II).6.A. PLEASE PROVIDE THE CURRENT AND PROPOSED CHARGE SCHEDULES FOR THE PROPOSAL. DISCUSS ANY ADJUSTMENT TO CURRENT CHARGES THAT WILL RESULT FROM THE IMPLEMENTATION OF THE PROPOSAL. ADDITIONALLY, DESCRIBE THE ANTICIPATED REVENUE FROM THE PROPOSED PROJECT AND THE IMPACT ON EXISTING PATIENT CHARGES.

With respect to the charge per dose for methadone itself, there is not a separate charge per dose. The clinic's weekly or daily charge its patients includes all medications, unlimited individual and group counseling sessions, unlimited physician visits (Medical Director), laboratory tests as needed, case management of medical issues, assistance with daily life activities, job searches, and educational opportunities. In all OTP clinics, each patient's annual charges vary with the amount of counseling and testing required by his or her individual treatment plan. Below is a comparison of BHG's current weekly charge at each of its Tennessee facilities as of today. The current detailed fee/charge schedule for the applicant is provided following this page.

NEED THIS UPDATED	Current Routine Weekly Charge*
BHG Memphis South Treatment Center	$98
BHG Memphis Mid-town Treatment Center	$98
BHG Memphis North Treatment Center	$98
BHG Jackson Treatment Center	$98
BHG Paris Treatment Center	$98
BHG Dyersburg Treatment Center	$84
BHG Columbia, TN Treatment Center	$91
BHG Nashville Treatment Center	$109
BHG Knoxville Bernard Treatment Center	$116
BHG Knoxville Citico Treatment Center	$116

* *The standard "weekly charge" is a uniform per-patient charge covering the routine services to each patient. It does not include individually incurred charges for such things as positive drug screens, annual physicals, replacement ID cards, or bottle services.*

BHG increases its weekly program fee approximately $3.00-$4.00 every one to two years. That increase goes into effect each summer. Other charges listed in the following schedule are non-routine charges. The relocation of this program will not increase the charge structures of the program.

FEES AND CHARGES, 2014 BHG JACKSON TREATMENT CENTER					
Admission 1	$ 60.00		Positive Klonipin Test		$ 18.00
Admission 2	$ 72.00		Late Dosing Fee		$ 20.00
After Hours Dose >1hr	$ 25.00		Late Dosing Fee <1 hour		$ 10.00
Annual Physical	$ 30.00		Lipid Panel		$ 9.00
Appointment No Show Fee	$ 20.00		Lockbox		$ 20.00
Ativan Test Positive	$ 18.00		Lost Medication Bottle/Bag Fee		$ 5.00
BloodTest Peak	$ 18.00		Methadone Medication Fee wkly		$ 98.00
Bloodtest Trough	$ 18.00		Negative Follow up Drug Tests		$ 6.00
GCMS Confirmation Drug Test	$ 12.00		No Show Drug Tests		$ 6.00
Employment Drug Test	$ 20.00		OnSite Verification Drug Screen		$ 8.00
Positive Fentanyl Test	$ 60.00		Oral Swab OnSite/ lab confirmation		$ 8.00
Flu Vaccination	$ 20.00		Outgoing Guest Dose Set-up BHG		$ 15.00
Group Aftercare Counseling	$ 25.00		Positive Oxycodone Test		$ 8.00
Guest Dose Daily Non-BHG Pt	$ 15.00		Positive Drug Test		$ 6.00
Guest Dose Set-up Non BHG Pt	$ 25.00		Pregnancy Test Fee		$ 7.00
Guest Dose Drug Screen	$ 20.00		Re-Admission Fee		$ 30.00
Hepatitis B Test	$ 15.00		Re-Admission Fee <90 days		$ 15.00
Hepatitis B Vaccination Series	$ 90.00		Record Request per page		$ 1.00
Hepatitis C Test	$ 21.00		Replacement Dose		$ 15.00
HIV Test	$ 11.00		Replacement ID Card		$ 5.00
Incoming Guest Dose Set Up	$ 15.00		Returned Check Fee		$ 25.00
Individual AfterCare Counseling	$ 50.00		Positive Soma Test		$ 16.00
Jail/ Hospital Dosing Fee	$ 13.57		Special Exception Requests		$ 25.00
Jail/ Hospital Mileage Reimbursment	$ 0.50		Suboxone/Subutex First Mo. Fee		$ 200.00
Jail/Hospital Set-up Fee	$ 20.00		Suboxone/Subutex Monthly Fee		$ 175.00
			pos. Tricyclic Antidepressants Test		$ 16.00
			V19 Facility Dosing Fee Wkly		$ 98.00
			Vitadone		$ 25.00

C(II).6.B. COMPARE THE PROPOSED CHARGES TO THOSE OF SIMILAR FACILITIES IN THE SERVICE AREA/ADJOINING SERVICE AREAS, OR TO PROPOSED CHARGES OF PROJECTS RECENTLY APPROVED BY THE HSDA. IF APPLICABLE, COMPARE THE PROJECTED CHARGES OF THE PROJECT TO THE CURRENT MEDICARE ALLOWABLE FEE SCHEDULE BY COMMON PROCEDURE TERMINOLOGY (CPT) CODE(S).

As demonstrated above, the charges for the applicant are, and will remain, generally comparable to those of the other nine BHG facilities in Tennessee.

The Medicare allowable data is not relevant because this facility does not contract with Medicare for reimbursement.

C(II).7. DISCUSS HOW PROJECTED UTILIZATION RATES WILL BE SUFFICIENT TO MAINTAIN COST-EFFECTIVENESS.

This clinic is operational, with a well-established patient base. The applicant's projection of its utilization is conservative, at levels currently being experienced. The proposed relocation will not adversely impact the facility's overall utilization.

C(II).8. DISCUSS HOW FINANCIAL VIABILITY WILL BE ENSURED WITHIN TWO YEARS; AND DEMONSTRATE THE AVAILABILITY OF SUFFICIENT CASH FLOW UNTIL FINANCIAL VIABILITY IS MAINTAINED.

This clinic has been operating for many years with a positive cash flow. It has been, and will remain, financially viable with a positive cash flow. Its relocation to improved space will not adversely affect its viability.

C(II).9. DISCUSS THE PROJECT'S PARTICIPATION IN STATE AND FEDERAL REVENUE PROGRAMS, INCLUDING A DESCRIPTION OF THE EXTENT TO WHICH MEDICARE, TENNCARE/MEDICAID, AND MEDICALLY INDIGENT PATIENTS WILL BE SERVED BY THE PROJECT. IN ADDITION, REPORT THE ESTIMATED DOLLAR AMOUNT OF REVENUE AND PERCENTAGE OF TOTAL PROJECT REVENUE ANTICIPATED FROM EACH OF TENNCARE, MEDICARE, OR OTHER STATE AND FEDERAL SOURCES FOR THE PROPOSAL'S FIRST YEAR OF OPERATION.

The applicant does not anticipate contracting for TennCare or Medicare reimbursement for services, for reasons explained in section A.13 of the application. This operating model is true for all State-licensed opioid treatment programs. Almost no Medicare-age patients apply to these programs. Few TennCare enrollees of a qualified age (ages 18-20) apply for admission.

BHG does provide charitable care in the form of scholarships. Under those arrangements, medical care is provided to the patient free of charge, or at a reduced fee, for periods up to six months. Scholarships are evaluated on a case-by-case basis and awarded to approximately 1%-2% of enrollees.

C(II).10. PROVIDE COPIES OF THE BALANCE SHEET AND INCOME STATEMENT FROM THE MOST RECENT REPORTING PERIOD OF THE INSTITUTION, AND THE MOST RECENT AUDITED FINANCIAL STATEMENTS WITH ACCOMPANYING NOTES, IF APPLICABLE. FOR NEW PROJECTS, PROVIDE FINANCIAL INFORMATION FOR THE CORPORATION, PARTNERSHIP, OR PRINCIPAL PARTIES INVOLVED WITH THE PROJECT. COPIES MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND LABELED AS ATTACHMENT C, ECONOMIC FEASIBILITY--10.

These are provided as Attachment C, Economic Feasibility--10.

C(II)11. DESCRIBE ALL ALTERNATIVES TO THIS PROJECT WHICH WERE CONSIDERED AND DISCUSS THE ADVANTAGES AND DISADVANTAGES OF EACH ALTERNATIVE, INCLUDING BUT NOT LIMITED TO:

A. A DISCUSSSION REGARDING THE AVAILABILITY OF LESS COSTLY, MORE EFFECTIVE, AND/OR MORE EFFICIENT ALTERNATIVE METHODS OF PROVIDING THE BENEFITS INTENDED BY THE PROPOSAL. IF DEVELOPMENT OF SUCH ALTERNATIVES IS NOT PRACTICABLE, THE APPLICANT SHOULD JUSTIFY WHY NOT, INCLUDING REASONS AS TO WHY THEY WERE REJECTED.

B. THE APPLICANT SHOULD DOCUMENT THAT CONSIDERATION HAS BEEN GIVEN TO ALTERNATIVES TO NEW CONSTRUCTION, E.G., MODERNIZATION OR SHARING ARRANGEMENTS. IT SHOULD BE DOCUMENTED THAT SUPERIOR ALTERNATIVES HAVE BEEN IMPLEMENTED TO THE MAXIMUM EXTENT PRACTICABLE.

If this provider's patients are to have the benefit of improved accessibility, parking, efficiency, and professional surroundings, relocation to new leased space is the only option.

The particular location was chosen after an extensive search of the nearby community. It appears to be the best available option for the relocation. The lease cost reflects market conditions. The applicant has avoided the high costs of new construction by selection of an existing building for renovation.

C(III).1. LIST ALL EXISTING HEALTH CARE PROVIDERS (I.E., HOSPITALS, NURSING HOMES, HOME CARE ORGANIZATIONS, ETC.) MANAGED CARE ORGANIZATIONS, ALLIANCES, AND/OR NETWORKS WITH WHICH THE APPLICANT CURRENTLY HAS OR PLANS TO HAVE CONTRACTUAL AGREEMENTS FOR HEALTH SERVICES.

The applicant has no contractual relationships with the facilities and organizations mentioned above. The applicant does not "discharge" patients to any other type of licensed facility. The applicant is not part of any health care alliance or network.

With respect to emergency transfer agreements, an emergency transfer agreement is not a licensure or accreditation requirement for this type of clinic, because the applicant's visiting patients are not ill, injured, or at risk for any type of medical emergency, any more than they would be in a visit to a private physician office or a pharmacy.

This clinic has had only one emergency transfer to a hospital in the past three years. It was completed without issues due to the excellent capabilities of the local emergency response network.

C(III).2. DESCRIBE THE POSITIVE AND/OR NEGATIVE EFFECTS OF THE PROPOSAL ON THE HEALTH CARE SYSTEM. PLEASE BE SURE TO DISCUSS ANY INSTANCES OF DUPLICATION OR COMPETITION ARISING FROM YOUR PROPOSAL, INCLUDING A DESCRIPTION OF THE EFFECT THE PROPOSAL WILL HAVE ON THE UTILIZATION RATES OF EXISTING PROVIDERS IN THE SERVICE AREA OF THE PROJECT.

A relocation such as this is necessary to provide an improved care environment for a group of ambulatory patients who must come onto the premises daily or weekly for years. That can only be a positive thing. It has no negative aspects whatsoever.

This is a type of program that is authorized by the General Assembly, and carefully regulated by the Department of Mental Health and Substance Abuse Services. The DMHSAS regulations revised in 2012 are 44 pages long (TCA Chapter 0940-5-42.1 to 42.29). The facility cares for a needy patient population for whom there is no satisfactory alternative form of care. These are patients attempting to cope with life-destroying addictions. This substitution-based program makes it possible for them to stop the physical and mental deterioration that accompanies illicit opioid use, and to resume normal activities and responsibilities in their families, workplaces, and communities. It increases public safety.

Competitive factors with other licensed providers are not an issue. This program, and the other two in the service area, are all operated by BHG.

Table Eleven: BHG Jackson Treatment Center Staffing Requirements Current and Proposed Locations				
Position Type (RN, etc.)	**Current FTE's**	**Year One FTE's**	**Year Two FTE's**	**Proposed Annual Salary Range**
Medical Director	Contract	Contract	Contract	
Program Physician	Contract	Contract	Contract	
Program Director	1	1	1	$39,000-$40,000
Nurses (LPN)	3	3	3	$33,250-$39,000
Counselors	4	4	4	$25,000-$41,000
Adminstrative (Filing Clerk)	1	1	1	$15,000-$16,000
Counseling Supervisor	1	1	1	$34,700-$41,300
Medical Assistant/Phlebotomist	2	2	2	$19,600-$24,500
Total FTE's	12	12	12	Medical Director Included

Notes:

1. Program Director and Counseling Supervisor are salaried employees.

C(III).3. PROVIDE THE CURRENT AND/OR ANTICIPATED STAFFING PATTERN FOR ALL EMPLOYEES PROVIDING PATIENT CARE FOR THE PROJECT. THIS CAN BE REPORTED USING FTE'S FOR THESE POSITIONS. IN ADDITION, PLEASE COMPARE THE CLINICAL STAFF SALARIES IN THE PROPOSAL TO PREVAILING WAGE PATTERNS IN THE SERVICE AREA AS PUBLISHED BY THE TENNESSEE DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT AND/OR OTHER DOCUMENTED SOURCES.

Please see the following page for a chart of projected FTE's and salary ranges.

The Department of Labor and Workforce Development website indicates the following Jackson area annual salary information for clinical employees of the type employed in this project:

Table Ten: TDOL July 2013 Survey of Average Salaries Madison County Area

Position	Entry Level	Median	Mean	Experienced
Licensed Practical Nurse	$25,990	$32,160	$32,450	$35,670
Substance Abuse Counselor	$24,200	$33,100	$34,680	$39,920

C(III).4. DISCUSS THE AVAILABILITY OF AND ACCESSIBILITY TO HUMAN RESOURCES REQUIRED BY THE PROPOSAL, INCLUDING ADEQUATE PROFESSIONAL STAFF, AS PER THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, AND/OR THE DIVISION OF MENTAL RETARDATION SERVICES LICENSING REQUIREMENTS.

This is an existing clinic that already meets rigorous State TDMH licensure standards; its relocation within the community will not affect its human resources or its program content. The project requires no addition of staff.

C(III).5. VERIFY THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSING CERTIFICATION AS REQUIRED BY THE STATE OF TENNESSEE FOR MEDICAL/CLINICAL STAFF. THESE INCLUDE, WITHOUT LIMITATION, REGULATIONS CONCERNING PHYSICIAN SUPERVISION, CREDENTIALING, ADMISSIONS PRIVILEGES, QUALITY ASSURANCE POLICIES AND PROGRAMS, UTILIZATION REVIEW PPOLICIES AND PROGRAMS, RECORD KEEPING, AND STAFF EDUCATION.

The applicant so verifies.

C(III).6. DISCUSS YOUR HEALTH CARE INSTITUTION'S PARTICIPATION IN THE TRAINING OF STUDENTS IN THE AREAS OF MEDICINE, NURSING, SOCIAL WORK, ETC. (I.E., INTERNSHIPS, RESIDENCIES, ETC.).

The applicant does not have training relationships with area health professional schools. However, BHG as a company requires all staff to complete one to two trainings per month through "BHG University" professional courses. These are in addition to compliance trainings pursuant to regulatory agencies.

C(III).7(a). PLEASE VERIFY, AS APPLICABLE, THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSURE REQUIREMENTS OF THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, THE DIVISION OF MENTAL RETARDATION SERVICES, AND/OR ANY APPLICABLE MEDICARE REQUIREMENTS.

The applicant so verifies.

C(III).7(b). PROVIDE THE NAME OF THE ENTITY FROM WHICH THE APPLICANT HAS RECEIVED OR WILL RECEIVE LICENSURE, CERTIFICATION, AND/OR ACCREDITATION

LICENSURE:	Tennessee Department of Mental Health and Substance Abuse Services Drug Enforcement Administration (Registered Controlled Substance Certificate)
CERTIFICATION:	The applicant is not certified for Medicare or Medicaid. Opiod Treatment Program certification by CSAT, in SAMSHA, in U. S. Department of Health and Human Services. (HHS).
ACCREDITATION:	Joint Commission

C(III).7(c). IF AN EXISTING INSTITUTION, PLEASE DESCRIBE THE CURRENT STANDING WITH ANY LICENSING, CERTIFYING, OR ACCREDITING AGENCY OR AGENCY.

The applicant is currently licensed in good standing by the Department of Mental Health and Substance Abuse Services, and holds a three-year Joint Commission accreditation. It has certification as an opiod treatment program, by the Center for Substance Abuse Treatment (CSAT), a branch of the Substance Abuse and Mental Health Services Administration (SAMHSA) in the U.S. Department of Health and Human Services (USDHHS).

C(III).7(d). FOR EXISTING LICENSED PROVIDERS, DOCUMENT THAT ALL DEFICIENCIES (IF ANY) CITED IN THE LAST LICENSURE CERTIFICATION AND INSPECTION HAVE BEEN ADDRESSED THROUGH AN APPROVED PLAN OF CORRECTION. PLEASE INCLUDE A COPY OF THE MOST RECENT LICENSURE/CERTIFICATION INSPECTION WITH AN APPROVED PLAN OF CORRECTION.

They have been addressed. A copy of the most recent licensure inspection and plan of correction, and the most recent accreditation inspection, are provided in Attachment C, Orderly Development--7(C).

C(III)8. DOCUMENT AND EXPLAIN ANY FINAL ORDERS OR JUDGMENTS ENTERED IN ANY STATE OR COUNTRY BY A LICENSING AGENCY OR COURT AGAINST PROFESSIONAL LICENSES HELD BY THE APPLICANT OR ANY ENTITIES OR PERSONS WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE APPLICANT. SUCH INFORMATION IS TO BE PROVIDED FOR LICENSES REGARDLESS OF WHETHER SUCH LICENSE IS CURRENTLY HELD.

None.

C(III)9. IDENTIFY AND EXPLAIN ANY FINAL CIVIL OR CRIMINAL JUDGMENTS FOR FRAUD OR THEFT AGAINST ANY PERSON OR ENTITY WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE PROJECT.

None.

C(III)10. IF THE PROPOSAL IS APPROVED, PLEASE DISCUSS WHETHER THE APPLICANT WILL PROVIDE THE THSDA AND/OR THE REVIEWING AGENCY INFORMATION CONCERNING THE NUMBER OF PATIENTS TREATED, THE NUMBER AND TYPE OF PROCEDURES PERFORMED, AND OTHER DATA AS REQUIRED.

Yes. The applicant will provide the requested data consistent with Federal HIPAA requirements.

PROOF OF PUBLICATION

Attached.

DEVELOPMENT SCHEDULE

1. PLEASE COMPLETE THE PROJECT COMPLETION FORECAST CHART ON THE NEXT PAGE. IF THE PROJECT WILL BE COMPLETED IN MULTIPLE PHASES, PLEASE IDENTIFY THE ANTICIPATED COMPLETION DATE FOR EACH PHASE.

The Project Completion Forecast Chart is provided after this page.

2. IF THE RESPONSE TO THE PRECEDING QUESTION INDICATES THAT THE APPLICANT DOES NOT ANTICIPATE COMPLETING THE PROJECT WITHIN THE PERIOD OF VALIDITY AS DEFINED IN THE PRECEDING PARAGRAPH, PLEASE STATE BELOW ANY REQUEST FOR AN EXTENDED SCHEDULE AND DOCUMENT THE "GOOD CAUSE" FOR SUCH AN EXTENSION.

Not applicable. The applicant anticipates completing the project within the period of validity.

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision Date, as published in Rule 68-11-1609(c):

August 27, 2014

Assuming the CON decision becomes the final Agency action on that date, indicate the number of days from the above agency decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Architectural & engineering contract signed	7	August 2014
2. Construction documents approved by TDH	17	September 2014
3. Construction contract signed	18	September 2014
4. Building permit secured	25	September 2014
5. Site preparation completed	NA	NA
6. Building construction commenced (renovation)	32	October 2014
7. Construction 40% complete	53	October 2014
8. Construction 80% complete	76	November 2014
9. Construction 100% complete	91	Dec 2015
10. * Issuance of license	105	Dec 2015
11. *Initiation of service	120	Jan 2016
12. Final architectural certification of payment	150	March 2016
13. Final Project Report Form (HF0055)	210	May 2016

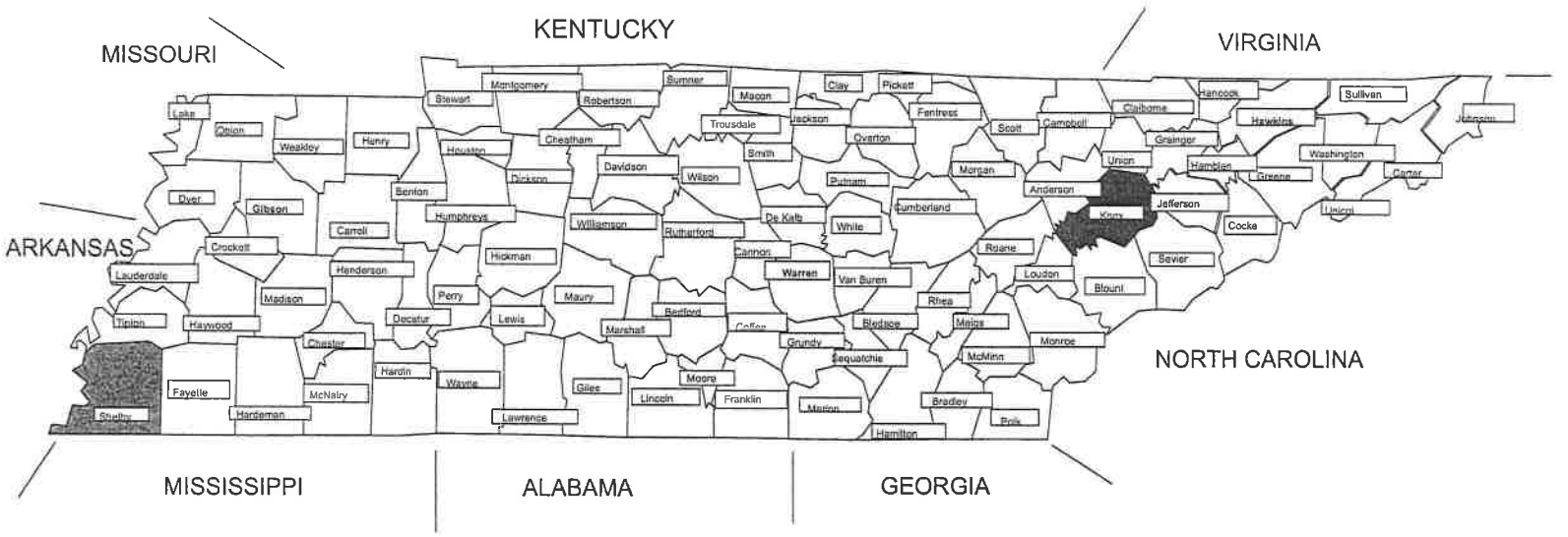
*** For projects that do NOT involve construction or renovation: please complete items 10-11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

INDEX OF ATTACHMENTS

March 2011

Tennessee Opioid Treatment Clinics



89

○ ONE LOCATION ● TWO LOCATIONS ● THREE LOCATIONS *BHG Clinics

Shelby (Memphis)
ADC Recovery & Counseling Center
3041 Getwell, Suite 101
Memphis, TN 38118
(901) 375-1050
Hours of Operation M-F 5a-1:30p; Sat 6a-9a
Dosing Hours M-F 5:30a-11a; Sat 6a-9a

Memphis Center for Research & Addiction
1270 Madison Ave
Memphis,TN 38104
(901) 722-9420
Hours of Operation M-F 5:45a-2p; Sat 6a-9a
Dosing Hours M-F 5:45a-1p; Sat 6a-9a

Raleigh Professional Associates
2960-B Austin Peay Hwy
Memphis, TN 38128
(901) 372-7878
Hours of Operation M-F 5a-1p; Sat 6a-2p
Dosing Hours M-F 5a-9a; Sat 6a-10a

Midsouth Treatment Center
640 Hwy 51 Bypass 3, Suite M
Dyersburg, TN 38024
(731) 285-6535
Hours of Operation M-Sat 5a-11a
Dosing Hours M-F 5a-11a; Sat 6a-10a

Jackson Professional Associates
1869 Hwy 45 Bypass, Suite 5
Jackson, TN 38305
(731) 660-0880
Hours of Operation M-F 5a-1p; Sat 6a-2p
Dosing Hours M-F 5a-1p; Sat 6a-2p

Paris Professional Associates
2555 East Wood Street
Paris, TN 38242
(731) 641-4545
Hours of Operation M-Sat 5a-1p
Dosing Hours M-Sat 5a-1p

Solutions of Savannah
85 Harrison Street
Savannah, TN 38372
(731) 925-2767
Hours of Operation M-Sat 5:30a-12p
Dosing Hours M-F 5:30a-11a; Sat 6a-9a

Recovery of Columbia
1202 South James Campbell Blvd.
Columbia, TN 38401
(931) 381-0020
Hours of Operation M-Sat 5:30a-11a
Dosing Hours M-F 5:30-11a; Sat 6a-9a

Middle Tennessee Treatment Center
2410 Charlotte Avenue
Nashville, TN 37203
(615) 321-2575
Hours of Operation M-Sat 6a-1p
Dosing Hours M-F 6a-1p; Sat 6a-9a

Volunteer Treatment Center, Inc.
2347 Rossville Blvd
Chattanooga, TN 37408
(423) 265-3122
Hours of Operation M-Sat 5:30a-2p
Dosing Hours M-F 5:30a-12:30p; Sat 5:30-11a

Knox (Knoxville)
DRD Knoxville Medical Clinic-Central
412 Citico Street
Knoxville, TN 37921
(865) 522-0661
Hours of Operation M-Sat 5:30a-2:30p
Dosing Hours 5:30a-11p; Sat 6a-9a

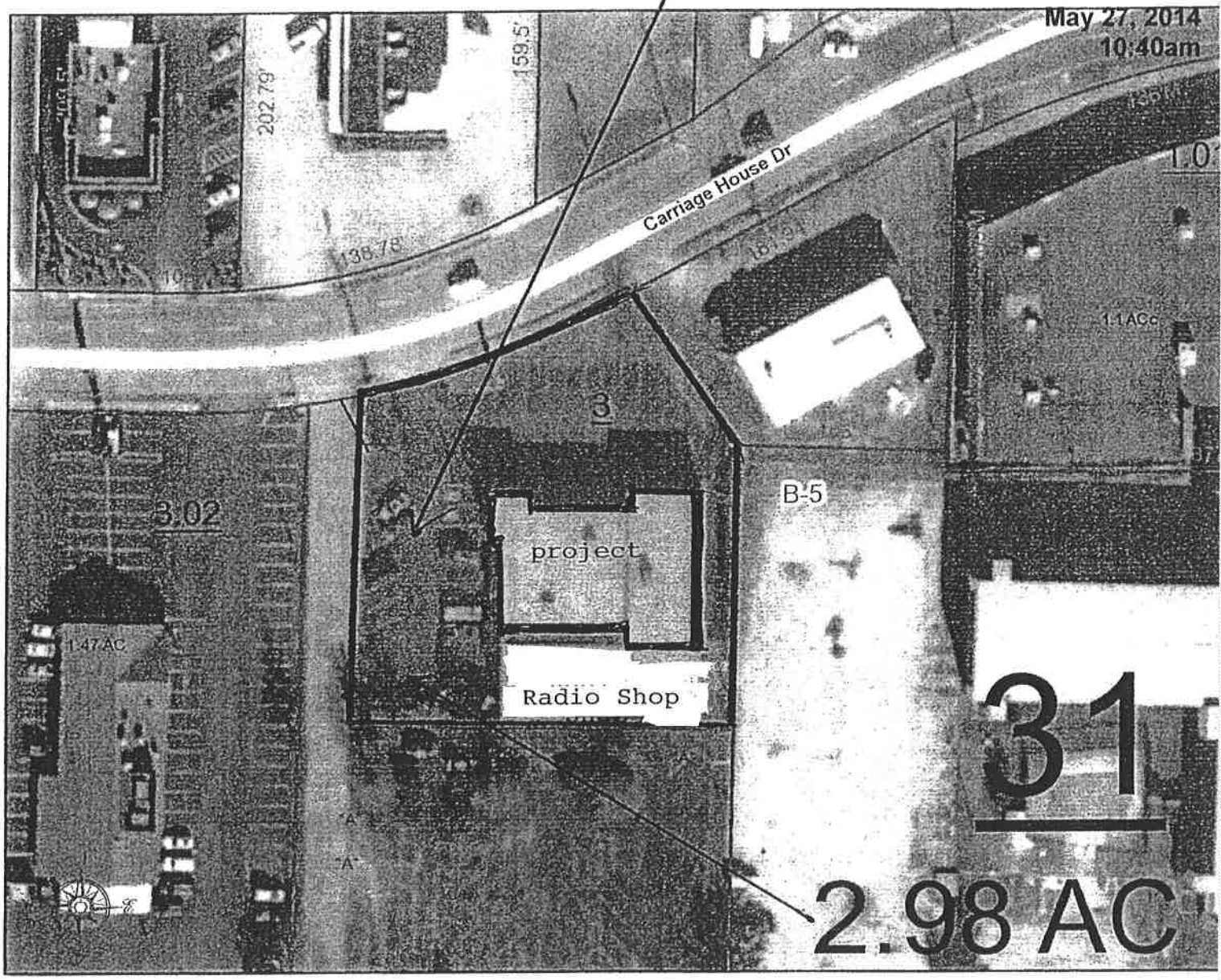
DRD Knoxville Medical Clinic-Bernard
626 Bernard Avenue
Knoxville, TN 37921
(865) 522-0161
Hours of Operation M-Sat 5:30a-2:30p
Dosing Hours M-F 5:30a-11a; Sat 6a-9a

B.III.--Plot Plan

58 Carriage House Aerial

SUPPLEMENTAL- # 1

May 27, 2014
10:40am

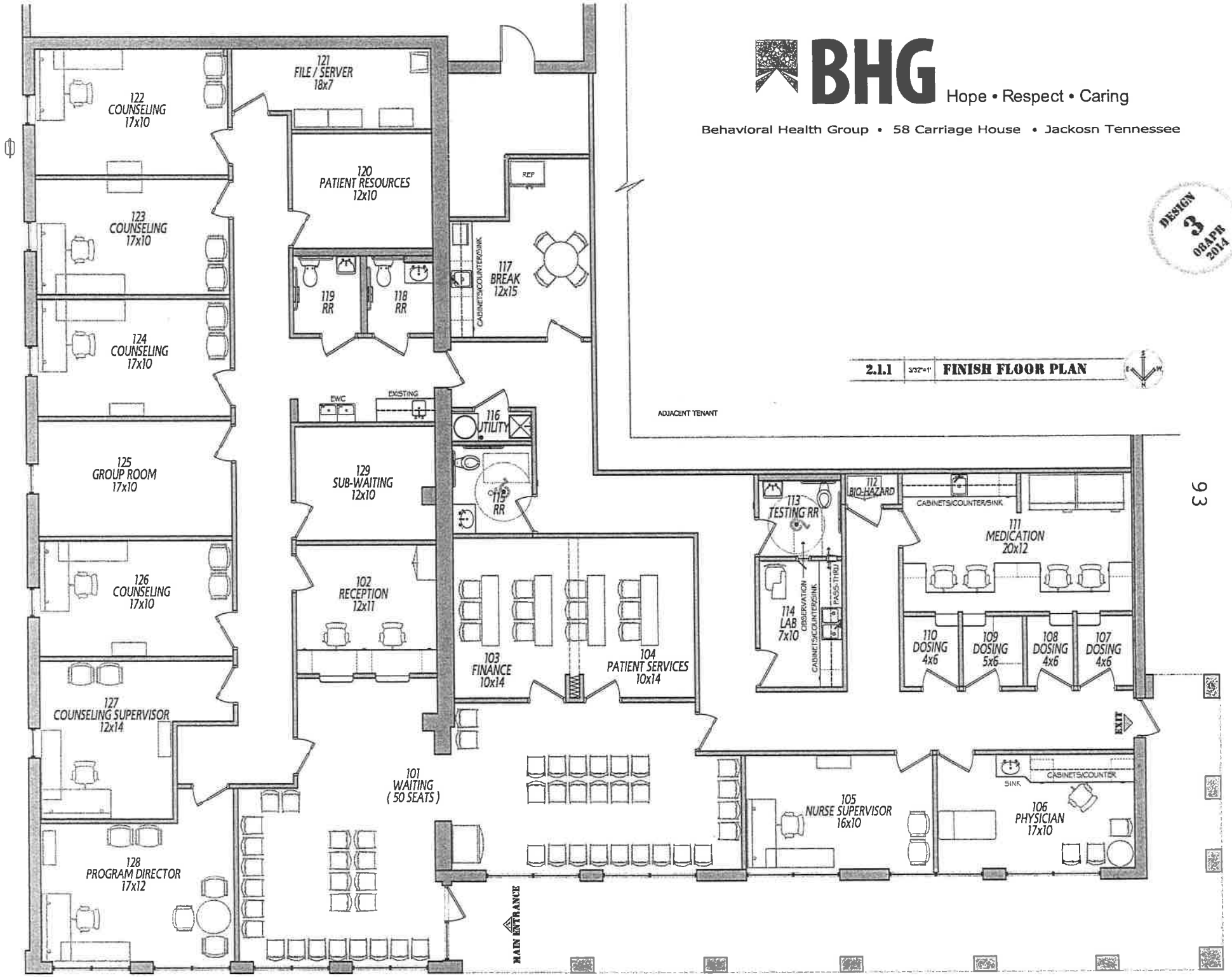


CITY OF JACKSON, TENNESSEE

DISCLAIMER: THIS MAP IS FOR PROPERTY TAX ASSESSMENT PURPOSES ONLY. IT WAS CONSTRUCTED FROM PROPERTY INFORMATION RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS AND IS NOT CONCLUSIVE AS TO LOCATION OF PROPERTY OR LEGAL OWNERSHIP.

MAP DATE: May 21, 2014

B.IV.--Floor Plan


BHG
Hope • Respect • Caring
Behavioral Health Group • 58 Carriage House • Jackosn Tennessee
DESIGN 3 08APR 2014
2.1.1 3/32"=1' FINISH FLOOR PLAN
121 FILE / SERVER 18x7
122 COUNSELING 17x10
120 PATIENT RESOURCES 12x10
123 COUNSELING 17x10
124 COUNSELING 17x10
119 RR
118 RR
117 BREAK 12x15
REF
CABINETS/COUNTER/SINK
EWC
EXISTING
116 UTILITY
115 RR
125 GROUP ROOM 17x10
129 SUB-WAITING 12x10
126 COUNSELING 17x10
102 RECEPTION 12x11
103 FINANCE 10x14
104 PATIENT SERVICES 10x14
127 COUNSELING SUPERVISOR 12x14
101 WAITING (50 SEATS)
128 PROGRAM DIRECTOR 17x12
MAIN ENTRANCE
ADJACENT TENANT
113 TESTING RR
112 BIO-HAZARD
CABINETS/COUNTER/SINK
111 MEDICATION 20x12
114 LAB 7x10
OBSERVATION
PASS-THRU
110 DOSING 4x6
109 DOSING 5x6
108 DOSING 4x6
107 DOSING 4x6
EXIT
105 NURSE SUPERVISOR 16x10
SINK
CABINETS/COUNTER
106 PHYSICIAN 17x10

C, Need--1.A.3.e.
Medical Director Qualifications

CHRIS MARSHALL, M.D.

135 Towns Edge Drive
Parsons, TN 38363
Work Phone: 931-589-2222
Fax: 931-589-2400
Email: camarshall260@yahoo.com

EMPLOYMENT

Doctor of Medicine	July 2009 – Present	**Averett Medical Group:** Family Physician 62 Medical Drive Linden, TN 37096 931-589-2222 Fax: 931-589-2400
	July 2009 – Present	**Perry Community Hospital:** Admitting/ER Physician 2718 Squirrel Hollow Drive Linden, TN 37096 931-589-2121
	May 2010 – Present	**EMCare:** Part Time ER Physician 1717 Main St., Suite 5200 Dallas, TX 75201 800-362-2731 Fax: 214-712-2444 **McKenzie Regional Hospital** 161 Hospital Dr. McKenzie, TN 38201 731-352-5344
	Nov. 2008 – June 2009	**Immediate Care Clinic:** Part-Time General Physician 405 S. Rogers Wells Blvd. Glasgow, KY 42141
	Sept. 2007 – June 2009	**Inspire Medical:** Part-Time ER Physician 2323 Lime Kiln Lane Louisville, KY 40222 **Caverna Memorial Hospital** – ER Horse Cave, KY **Jane Todd Crawford Hospital** – ER Greensburg, KY
	July 2006 – June 2009	**Univ. of Louisville / Glasgow:** Resident Family Medicine Residency: Glasgow, KY

BOARD CERTIFICATION

Family Medicine	2009	American Board of Family Medicine
Addiction Medicine	2010	American Board of Addiction Medicine

EDUCATION

Medical	2002-2006	University of Tennessee College of Medicine: Memphis Doctor of Medicine: *May 2006*
Undergraduate	2001-2002	Graduate courses to strengthen medical school application
	1995 - 2000	University of Tennessee at Martin Bachelor of Arts with a major in Philosophy: *Dec. 2000* Bachelor of Science with a major in Biology: *Dec. 2000*

PROFESSIONAL ASSOCIATIONS

American Society of Addiction Medicine: Member since 2010

American Medical Association: Member since 2005

American Academy of Family Physicians: Member since 2002

Tennessee Academy of Family Physicians: Member 2002-2006, 2009-Present

Tennessee Medical Association: Member 2002-2006, 2009-Present

Kentucky Medical Association : Member 2006-2009

Barren County Medical Society: Member 2006-2009

Family Practice Student Association: Member 2002 - 2006

Secretary/Treasurer 2005-2006

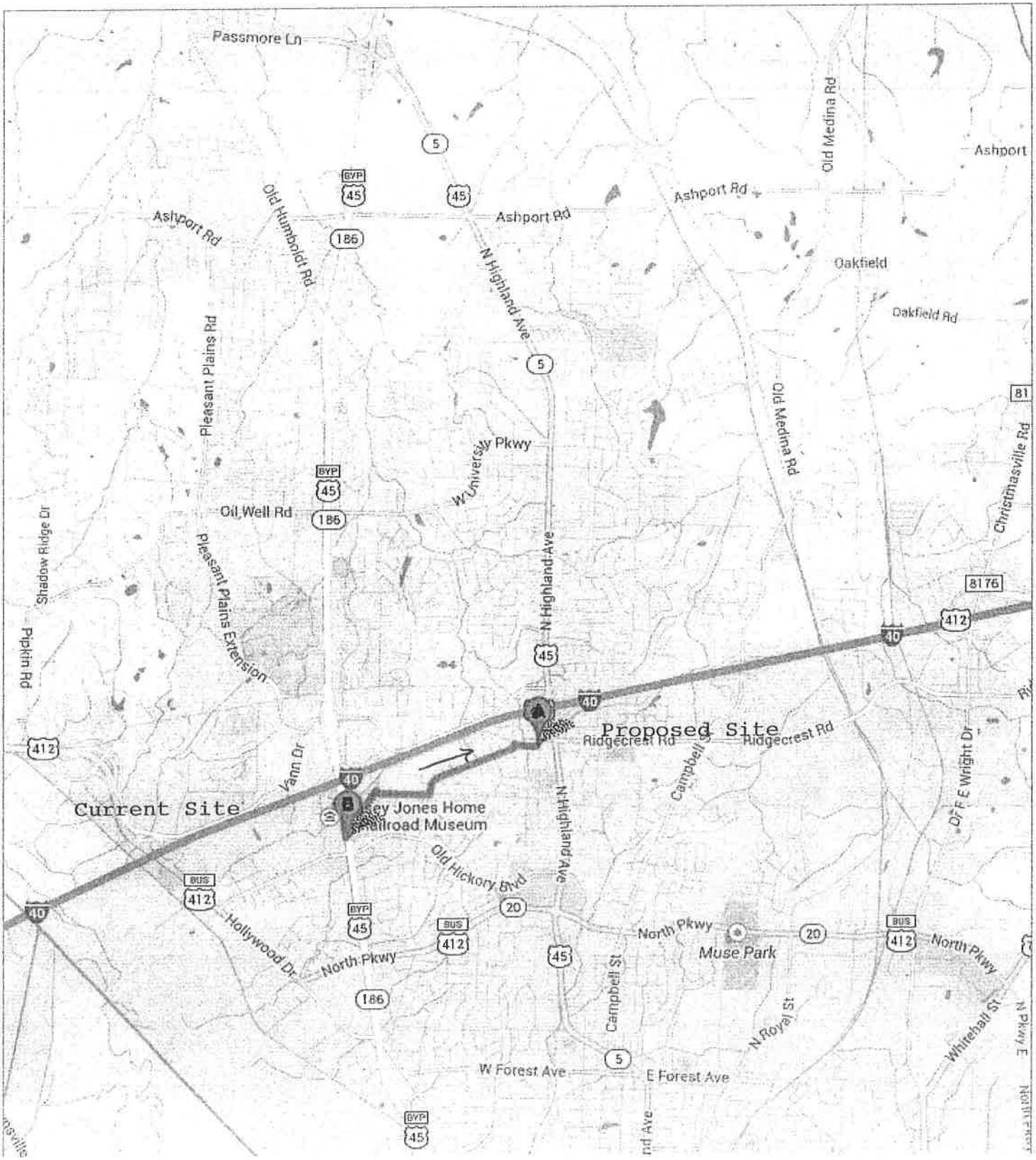
C, Need--3
Service Area Maps

BHG JACKSON TREATMENT CENTER
PRIMARY SERVICE AREA

99

To see all the details that are visible on the screen, use the "Print" link next to the map.

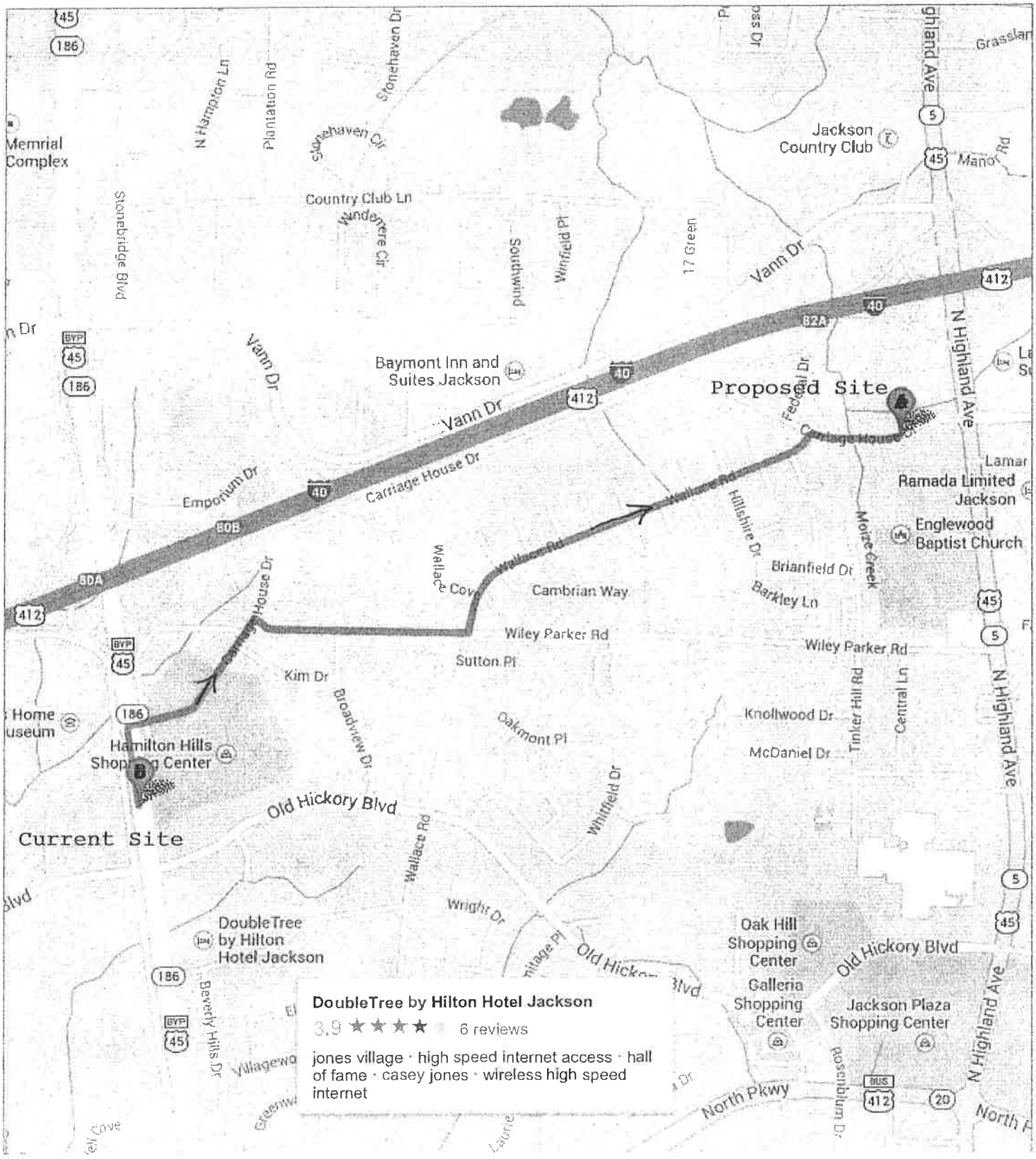
Google



100

To see all the details that are visible on the screen, use the "Print" link next to the map.

Google



C, Economic Feasibility--1
Documentation of Construction Cost Estimate

SUPPLEMENTAL #2
May 29, 2014
3:11 pm

DENTON ARCHITECTURE

1052 Oakhaven Road
Memphis TN 38119
901.761.3905
901.761.4103
www.dentonarchitecture.com

29 May 2014

Ms Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building; 9th Floor
502 Deaderick Street
Nashville Tennessee 37243

RE: BHG Treatment Center of Jackson
58 Carriage House Jackson TN

Dear Ms Hill:

Denton Architecture has reviewed the construction cost estimate provided by Behavioral Health Group. Based on experience and the current construction market, it is our opinion that the projected construction cost of $372,540 appears to be reasonable for this project type, size & location.

Below is a list of the current codes and laws governing the architectural design and construction of this project.

Codes:
-2006 International Building Code (IBC)
-2006 International Mechanical Code (IMC)
-2006 International Plumbing Code (IPC)
-2006 International Fire Code (IFC)
-2006 International Fuel & Gas Code (IFGC)
-2006 International Energy Conservation Code (IECC)
-2005 National Electrical Code (NEC)
-1999 North Carolina Accessibility Code Volume 1-C w/2002 & 2004 amendments or 2003 Accessibility Code ICC/ANSI A117.1

Laws:
Americans with Disability Act Accessibility Guidelines (revised 9-15-2010)

Behavioral Health Group shall be responsible to conform to all applicable State of Tennessee licensure standards.

Thank you

Marcus S Denton, AIA

C, Economic Feasibility--2
Documentation of Availability of Funding

BHG
Hope • Respect • Caring

8300 Douglas Avenue
Suite 750
Dallas, TX 75225
214-365-6100
bhgrecovery.com

May 14, 2014

Melanie M. Hill, Executive Director
Tennessee Health Facilities Commission
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: BHG Jackson Treatment Center
Certificate of Need Application to Change Location

Dear Mrs. Hill:

VCPHCS XIX, LLC dba BHG Jackson Treatment Center is applying for a Certificate of Need to relocate within Jackson to a newer building approximately 1.5 miles from its current site. This will require a capital expenditure estimated at approximately $530,000.

The applicant LLC's only member is VCPHCS L.P., a limited partnership which does business as Behavioral Health Group (BHG). I am the President & Chief Operating Officer of Behavioral Health Group.

I am writing to confirm that VCPHCS XIX, LLC and its member have sufficient cash reserves to implement this project. The LLC's income statement and balance sheet are included in the application as documentation of its ability to provide funding.

Sincerely,

James F. Draudt
President & Chief Operating Officer

C, Economic Feasibility--10
Financial Statements

VCPHCS XIX, LLC
d/b/a BHG Jackson Treatment Center
Income Statement
Wednesday, April 30, 2014

	Total Trailing Twelve Months
SALES	
MMT Program Fees	$ 1,445,088
Suboxone	10,778
Net Sales	$ 1,455,866
EXPENSES	
Lab Fees	$ 24,412
Wages & Salaries	483,846
Medical Supplies	18,767
Medication	37,934
Contract Labor	75,536
Cost of Sales	640,495
Gross Profit	$ 815,371
Advertising & Promotion	$ 741
Bank Fees	8,487
Bad Debts	(123)
Dues, Subscriptions & Donations	129
Business Insurance	14,592
Employee Benefits	31,988
Postage & Delivery	773
Legal & Accounting	9,655
Rent Expense	62,956
Repairs & Maintenance	16,708
Telephone	20,488
Travel & Entertainment	9,377
Utilities	15,026
Other Professional Services	16,268

VCPHCS XIX, LLC
d/b/a BHG Jackson Treatment Center
Income Statement
Wednesday, April 30, 2014

Payroll Expense		2,463
Training & Education		323
Employee Recruit. & Reloc.		437
Licenses & Permits		4,671
Office Expense		12,437
Security		24,283
Taxes - Prop., Franchise, Other		
Payroll Taxes		41,355
Waste Removal		1,275
Total Operating Expense	$	294,309
EBITDA	$	521,062
Depreciation & Amortization		173,545
Total Fees, Amortization & Depreciation	$	173,545
EBIT	$	347,517
Interest Expense	$	173,175
Total Interest Expense (Other Income)		173,175
Income/(Loss) Before Taxes	$	174,342
Income Tax	$	(2,190)
Total Taxes		(2,190)
Net Income	$	176,532

Behavioral Health Group
VCPHCS XIX LLC and Consolidation of All Companies
Balance Sheet
April 30, 2014

	VCPHCS XIX, LLC	VCPHCS LP Consolidated
ASSETS		
Cash on Hand	$17,289	$583,548
Segregated Cash		
Accounts Receivable	10,611	680,030
Inter-company VCPHCS	514,469	
Intercompany Applan		
Intercompany DRD		
Inventory	8,789	226,958
Prepaid Assets	29,432	936,098
Other Current Assets		
Total Current Assets	580,590	2,426,634
Non-Current Assets		
Investments DRD		
Investments in DRD Holdings		
Investments-Applan		
Investments-VCPHCS		
Long Term Investments		
Fixed Assets	38,772	4,713,007
Goodwill	1,412,164	99,999,554
Intangible Assets	321,709	10,112,395
Notes Receivable due LLC Subs and DRD Mgmts		
Other Assets	8,047	1,181,353
Total Non-Current Assets	1,780,692	116,006,309
Total Assets	$2,361,282	$118,432,943
LIABILITIES		
Current Liabilities		
Accounts Payable	$8,856	$455,378
Short Term Notes Payable		
Current Portion of Capitalized Lease Obligation		
Current Maturities of Long-term Debt		$368,786
Inter-company Payables-DRD		
Deferred Revenue	16,322	$425,395
Accrued Expenses	23,428	$2,220,432
Accrued Taxes	(5,168)	($328,920)
Total Current Liabilities	43,438	3,141,071
Long-term Debt		58,923,110
Notes Payable due LLC Subs and DRD Mgmt		
Deferred Lease Liability		263,494
Deferred Income Taxes, Net	(5,315)	33,822
Long-Term Liabilities	(5,315)	59,220,426
Total Liabilities	38,123	62,361,497
Treasury Stock		
Opening Balance	2,157,000	
Paid-in Capital		64,956,500
Prior Ownership Retained Earnings		
Retained Earnings	18,337	(8,065,149)
Net Income YTD	147,822	(821,905)
Stockholders' Equity	2,323,159	56,071,446
Liabilities and Shareholder's Equity	$2,361,282	$118,432,943

BDO

Tel: 214-969-7007
Fax: 214-953-0722
www.bdo.com

700 North Pearl, Suite 200
Dallas, TX 75201

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

May 22, 2014

Ms. Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Dear Ms. Hill:

We have audited the consolidated balance sheets of BHG Holdings, LLC, d/b/a "Behavioral Health Group," (Parent Entity of VCPHCS LP) as of December 31, 2013, 2012, and 2011, and the related consolidated statements of operations, partners' capital and cash flows for the years then ended. In connection therewith, we issued an unqualified opinion dated March 24, 2014 on such consolidated financial statements.

These consolidated financial statements are the responsibility of the Partnership's management. As reflected in the consolidated balance sheet as of December 31, 2013, the cash balance is in excess of $980,000 and total assets as of December 31, 2013, is in excess of $20.0 million.

Our audits of the consolidated financial statements as of December 31, 2013, 2012, and 2011, and for the years ended December 31, 2013, 2012, and the period from June 30, 2011 (Inception) through December 31, 2011 comprised audit tests and procedures deemed necessary for the purposed of expressing an opinion on such consolidated financial statements taken as a whole, and not on the individual account balances or totals referred to above.

Very truly yours,

BDO USA, LLP

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

BHG Holdings, LLC

Consolidated Financial Statements
As of December 31, 2013 and 2012

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

BHG Holdings, LLC

Consolidated Balance Sheets

December 31,	2013	2012
Assets		
Current assets		
Cash	$ 985,159	$ 2,594,020
Receivables	303,799	167,819
Inventory	184,383	106,107
Taxes receivable	293,340	156,403
Prepaid expenses and other current assets	923,557	617,895
Total current assets	2,690,238	3,642,244
Property and Equipment, net	4,856,008	4,848,067
Goodwill	99,999,554	94,849,082
Intangible Assets, net	11,227,318	12,583,259
Other Assets, net	1,269,798	1,227,623
Total Assets	$ 120,042,916	$ 117,150,275
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	$ 653,872	$ 1,028,759
Short term notes payable	44,779	47,888
Current maturities of long-term debt	368,786	390,581
Accrued expenses	2,827,568	2,919,082
Total current liabilities	3,895,005	4,386,310
Long Term Liabilities		
Long-term debt	59,171,510	54,014,587
Deferred income taxes, net	33,822	596,732
Deferred lease liability	249,228	16,916
Total liabilities	63,349,565	59,014,545
Members' Equity		
Class A Units - 64,758.50 and 63,908.50 units authorized, issued and outstanding, respectively	64,758,500	63,908,500
Class B Units - 10,802.66 and 8,588.64 units authorized and issued and 3,384.37 and 1,999.70 units outstanding, respectively	-	-
Class C Units - 200.00 units authorized, issued and outstanding for both years	-	-
Retained deficit	(8,065,149)	(5,772,770)
Total members' equity	56,693,351	58,135,730
Total Liabilities and Members' Equity	$ 120,042,916	$ 117,150,275

See accompanying notes to consolidated financial statements

BHG Holdings, LLC

Consolidated Statements of Operations

For the years ended December 31,	2013	2012
Revenues and Cost of Services		
Patient service revenues	$ 36,961,243	$ 32,069,793
Cost of services	15,293,476	12,960,482
Gross Margin	21,667,767	19,109,311
Clinic operating expenses	7,372,956	5,781,155
General and administrative expenses	6,273,958	4,884,497
Sponsor management fees and expenses	375,932	408,748
Depreciation and amortization	6,542,717	5,715,565
(Gain) loss on property plant and equipment	(1,643,739)	89,715
Operating Profit	2,745,943	2,229,631
Other Income (Expense)		
Other income	-	84,514
Interest expense, net	(5,096,414)	(4,816,257)
Net Loss before Taxes	(2,350,471)	(2,502,112)
Benefit from income taxes	58,092	581,366
Net Loss	$ (2,292,379)	(1,920,746)

See accompanying notes to consolidated financial statements

VCPHCS L.P. dba Behavioral Health Group
Consolidation All Companies *
Income Statement
April 30, 2014

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

Consolidated - Post Eliminations

	Total TTM
SALES	
MMT Program Fees	$ 37,185,576
Suboxone	811,772
Management fee	
Rent Revenue	
Net Sales	$ 37,997,348
EXPENSES	
Lab Fees	$ 764,425
Wages & Salaries	12,010,291
Medical Supplies	408,343
Medication	964,663
Contract Labor	2,068,858
Other	0
Cost of Sales	$ 16,216,580
Gross Profit	$ 21,780,768
Advertising & Promotion	$ 123,142
Bank Fees	271,289
Bad Debts	6,035
Dues, Subscriptions & Donations	19,190
Business Insurance	422,896
Employee Benefits	1,117,333
Postage & Delivery	38,994
Management Fees	
Legal & Accounting	613,263
Rent Expense	2,100,087
Repairs & Maintenance	301,928
Telephone	491,199
Travel & Entertainment	725,318
Utilities	355,570
Other Professional Services	673,878
Payroll Expense	87,273
Training & Education	(749)
Employee Recruit. & Reloc.	236,838
Licenses & Permits	178,127
Office Expense	518,114
Security	294,948
Taxes - Prop., Franchise, Other	170,638
Payroll Taxes	1,246,718
Wages & Salaries - Corporate	3,534,486
Board Fees & Related Expenses	101,323
Waste Removal	66,146
Other	-
Total Operating Expense	$ 13,693,984
EBITDA	$ 8,086,784
Adjusted EBITDA	**$ 10,177,141**
PFAdjusted EBITDA	**$ 11,001,607**
Depreciation & Amortization	5,892,386
Total Fees, Amortization & Depreciation	$ 5,892,386
EBIT	$ 2,194,398
Other Income	$ 1,523,835
Interest Expense	5,206,974
Total Interest Expense (Other Income)	$ 3,683,139
Income/(Loss) Before Taxes	$ (1,488,741)
Income Tax	(206,687)
Total Taxes	(206,690)
Net Income	$ (1,282,051)

C, Orderly Development--7(C)
TDH Inspection & Plan of Correction

BHG
Hope • Respect • Caring

Corporate Headquarters
8300 Douglas Ave, Ste 750
Dallas, TX 75225

November 4th, 2013

Sandra Randle
TDMHSAS
West Tennessee Office of Licensure
170 N. Main, 12th Floor
Memphis, TN 38103

RE: Plan of Correction: Licensure Notice of Non-Compliance

Dear Ms. Randle,

Please accept this correspondence as our formal Plan of Compliance regarding the Notice of Non-Compliance for Jackson Professional Associates (BHG – Jackson Treatment Center issued on October 31st, 2013.

1. **0940-5-4-.04(2): Criteria. For the purpose of life safety, facilities required to meet business occupancies must comply with the applicable standards of the Life Safety Code of the National Fire Protection Association…"**
    a. Finding: "Two exit lights near the dosing windows and the exit light over the exterior exit door in the second waiting area were partially illuminated"
        i. Planned Date of Completion: 11/1/13
        ii. Plan of Compliance: Electricians have replaced the bulbs and all lights are serviceable. All emergency lights are checked during our monthly Life and Safety checklist, and annotated as such.

2. **0940-5-5-.02(2): The facility must be maintained in a sanitary and clean condition, free from all accumulation of dirt and rubbish, well ventilated, and free from foul, stale or musty odors.**
    a. Finding: "Three dirty towels were atop the counters in the safe room."
        i. Planned Date of Completion: 11/1/13
        ii. Plan of Compliance: The nurses are no longer using cloth towels to clean their workstations. Instead, they are using disposable disinfectant wipes.

3. **0940-5-5-.02(3): The facility must be kept free of mice, rats, and other rodents;**
    a. Finding: "An accumulation of mouse droppings were in tow drawers in the safe room"
        i. Planned Date of Completion: 11/1/13
        ii. Plan of Compliance: The exterminator treats the facility monthly, but we called him specifically to point out these findings. The report of that inspection is attached. It was determined that we have no current infestation of rodents, and that the droppings were likely old.

4. **0940-5-6-.01(1): The governing body must ensure that the facility complies with all applicable federal state, and local laws, ordinances, rules, and regulations.**
    a. Finding: "The door leading from the hall into the records room was unlocked, allowing access to confidential service recipient records. In addition, a portion of this area is used as a staff break room is accessible to all staff. File cabinets used to store current

Corporate Headquarters
8300 Douglas Ave, Ste 750
Dallas, TX 75225

and discharged service records were not locked. The door leading to the nurses' station was not equipped with a self-closing / self-locking door."

i. Planned Date of Completion: 11/1/13
ii. Plan of Compliance:
1. All filing cabinets in the break room have been relocated to the filing room and secured.
2. The door to the file room will remain locked at all times. Only BHG personnel will have a key to the file room.
3. Non-BHG Personnel (Cleaning and Security) will only have access to the break room when accompanied by BHG personnel.
4. SENT EMAIL TO SANDY REGARDING LOCKED DOOR ISSUE

5. **0940-5-6-.01(1): The governing body must ensure that the facility complies with all applicable federal state, and local laws, ordinances, rules, and regulations.**
a. Finding: "A criminal background check was not documented in the personnel record for Dr. Chris Marshall. A check of the abuse registry prior to hire was not documented in the personnel records for Dr. Chris Marshall, Cynthia Baker, or Juanita Pledge."
i. Planned Date of Completion: 11/1/13
ii. Plan of Compliance: The criminal background check for Dr. Marshall was received on 11/1/13. The abuse registry checks were kept in the Dallas-based Human Resources files, and were requested. These are now present in the Team Member files.

6. **0940-5-42-.15(1)(e): All medication shall be stored in a locked safe when not being administered or self-administered.**
a. Finding: "Bottles of Methadone which were note being used at the time were sitting atop a counter in the safe room out of view of nursing staff rather than being secured in a locked safe."
i. Planned Date of Completion: 11/1/13
ii. Plan of Compliance: Nurses were instructed to keep out only the quantity of medication required to continue dosing efficiently. Any medication that is out of the safe will be with the nurses at all times.

7. **0940-5-42-.29(2): Tuberculosis. All new employees, including volunteers who have routine contact with service recipients, shall be tested within three business days of employment for latent TB infection utilizing the two-step Mantoux method or a single interferon-gama release blood assay. Employees shall have a test for tuberculosis annually…"**
a. Finding: "Results of initial and annual test for tuberculosis were not in the personnel record for Dr. Chris Marshall. Evidence of an annual test due January 2013 was not documented in the personnel record for Keesha Reed.:"
i. Planned Date of Completion: 11/1/13 and 12/15/13
ii. Plan of Compliance: The TB test for Keesha Reed was conducted on 1/1/13 and was on file. Dr. Marshall's TB test will be re-done on 12/15/13.

Should you develop any questions or comments regarding these items, please feel free to contact me at 580-919-9759.

Sincerely,

Hope • Respect • Caring

Corporate Headquarters
8300 Douglas Ave, Ste 750
Dallas, TX 75225

Derek F. Walsh
Regional Director
Behavioral Health Group
8300 Douglas Avenue, Suite 750
Dallas, TX 75225

STATE OF TENNESSEE
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES
West Tennessee Regional Office of Licensure
951 Court Avenue
MEMPHIS, TENNESSEE 38103

BILL HASLAM
GOVERNOR

E. DOUGLAS VARNEY
COMMISSIONER

LICENSURE NOTICE OF NON-COMPLIANCE

TO: VCPHCS XIX, LLC
8300 Douglas Avenue
Dallas, TX 75225

DATE OF NOTICE:
October 31, 2013
Page 1 of 4

FACILITY IN NON-COMPLIANCE:
Jackson Professional Associates
1869 Highway 45 Bypass, Suite 5
Jackson, TN 38305

Plan of Compliance due by: 11/14/13

Site ID:
3249

EVENT & DATE RESULTING IN THIS NOTICE:
Annual Inspection
October 24, 2013

NOTICE TO LICENSEE: The facility above has been found to be non-compliant with the rule(s) listed herein. You must provide a plan for complying with each rule cited. Your plan of compliance may be specified in the space provided below or by separate document. If a separate document, your plan should reference each rule by item or rule number, must include the date by which you will be compliant, and an authorizing signature. Your plan must be received by the TDMHSAS regional office listed above by the date indicated herein.

PLEASE RETAIN A COPY OF YOUR PLAN OF COMPLIANCE UPON SUBMISSION
IT WILL NOT BE RETURNED TO YOU BY THIS OFFICE

YOUR PLAN OF COMPLIANCE MUST BE RETURNED NO LATER THAN November 11, 2013

event ID:682

Item	Rule Number	Rule Description & **Findings**	
		0940-5-4 Life Safety Licensure Rules	
	0940-5-4-.04	BUSINESS OCCUPANCIES	
	0940-5-4-.04(2)	Criteria. For the purpose of life safety facilities required to meet business occupancies must comply with the applicable standards of the Life Safety Code of the National Fire Protection Association, 1985 Edition, Business Occupancies, Chapter 26 (new) or Chapter 27 (existing) or equivalent standards hereafter adopted by the Office of the State Fire Marshal.	* critical *
1		**Two exit lights near the dosing windows and the exit light over the exterior exit door in the second waiting area were partially illuminated.**	
		Licensee's Planned Date of Completion: ☐☐ / ☐☐ / ☐☐	2,767
		Licensee's Plan of Compliance (use a separate page if more space is needed):	
		0940-5-5 Adequacy of Facility Environment and Ancillary Services	
	0940-5-5-.02	GENERAL ENVIRONMENTAL REQUIREMENTS FOR ALL FACILITIES.	

Item	Rule Number	Rule Description & Findings	
		0940-5-5 Adequacy of Facility Environment and Ancillary Services	
		0940-5-5-.02(2) The facility must be maintained in a sanitary and clean condition, free from all accumulation of dirt and rubbish, well-ventilated, and free from foul, stale or musty odors.	
2		**Three dirty towels were atop the counters in the safe room.** **Licensee's Planned Date of Completion:** ☐☐ / ☐☐ / ☐☐ **Licensee's Plan of Compliance (use a separate page if more space is needed):**	2,553
		0940-5-5-.02(3) The facility must be kept free of mice, rats, and other rodents.	
3		**An accumulation of mouse droppings were in two drawers in the safe room.** **Licensee's Planned Date of Completion:** ☐☐ / ☐☐ / ☐☐ **Licensee's Plan of Compliance (use a separate page if more space is needed):**	2,564
		0940-5-6 Program Requirements for All Facilities	
		0940-5-6-.01 GOVERNANCE REQUIREMENTS FOR ALL FACILITIES.	
		0940-5-6-.01(1) The governing body must ensure that the facility complies with all applicable federal, state, and local laws, ordinances, rules, and regulations.	
4		**The door leading from the hall into the records room was unlocked, allowing access to confidential service recipient records. In addition, a portion of this area is used as a staff break room and is accessible to all staff. File cabinets used to store current and discharged service records were not locked.** **The door leading into the nurse's station was not equipped with a self-closing self-locking door. Note: The lock was a deadbolt that required action on the part of the staff each time.** **Licensee's Planned Date of Completion:** ☐☐ / ☐☐ / ☐☐ **Licensee's Plan of Compliance (use a separate page if more space is needed):**	2,655

Item Rule Number Rule Description & Findings

event ID:682

0940-5-6 Program Requirements for All Facilities

0940-5-6-.01(1) The governing body must ensure that the facility complies with all applicable federal, state, and local laws, ordinances, rules, and regulations.

6

A criminal background check was not documented in the personnel record for Dr. Chris Marshall.

A check of the abuse registry prior to hire was not documented in the personnel records for Dr. Chris Marshall, Cynthia Baker, or Juanita Pledge.

Licensee's Planned Date of Completion: ☐☐ / ☐☐ / ☐☐ 3,703

Licensee's Plan of Compliance (use a separate page if more space is needed):

0940-5-42 Minimum Program Requirements for Non-Residential Opioid Treatment Program Facilities

0940-5-42-.15 MEDICATION MANAGEMENT.

0940-5-42-.15(1)(e) All medications shall be stored in a locked safe when not being administered or self-administered. * critical *

7

Bottles of Methadone which were not being used at the time were sitting atop a counter in the safe room out of view of the nursing staff rather than being stored in the locked safe.

Licensee's Planned Date of Completion: ☐☐ / ☐☐ / ☐☐ 4,301

Licensee's Plan of Compliance (use a separate page if more space is needed):

0940-5-42-.29 PERSONNEL AND STAFFING REQUIREMENTS.

0940-5-42-.29(2) Tuberculosis.
(a) All new employees, including volunteers who have routine contact with service recipients, shall be tested within three business days of employment for latent tuberculosis infection utilizing the two-step Mantoux method or a single interferon-gama release blood assay (IGRA).
(b) Employees shall have a test for tuberculosis annually and at the time of exposure to active tuberculosis and three months after exposure. Annual tuberculosis testing of previously TST-negative employees and volunteers shall be performed by the one-step Mantoux method.
(c) Employee records shall include the date and type of annual tuberculin tests given to the employee, date of tuberculin test results, and, if applicable, date and results of chest x-ray and any drug treatment for tuberculosis.

8

Results of initial and annual test for tuberculosis were not in the personnel record for Dr. Chris Marshall. Evidence of an annual test due January 2013 was not documented in the personnel record for Keesha Reed.

Licensee's Planned Date of Completion: ☐☐ / ☐☐ / ☐☐ 4,527

Licensee's Plan of Compliance (use a separate page if more space is needed):

PLEASE NOTE THAT THE STATE OPIOID TREATMENT AUTHORITY (SOTA) ALSO CONDUCTS A PROGRAM SURVEY THAT MAY RESULT IN A SEPARATE NOTICE OF NON COMPLAINCE

Please contact me if you have questions.

Sandra Randle

Sandy Randle
West Tennessee Surveyor

SIGNATURE OF LICENSEE OR AUTHORIZED AGENT

DATE OF SIGNATURE

VCPHCS XIX, LLC

Organization ID: 522008

1869 Highway 45 Bypass

Jackson, TN 38305

Accreditation Activity - Measure of Success Form

Due Date: 1/16/2013

BHC Standard RC.02.01.01 The clinical/case record contains information that reflects the care, treatment, or services provided to the individual served.

Elements of Performance:

2. The clinical/case record of the individual served contains the following clinical information: - The reason(s) for admission for care, treatment, or services - The initial diagnosis, diagnostic impression(s), or condition(s) - Any findings of assessments and reassessments - Any allergies to food - Any allergies to medications - Any conclusions or impressions drawn from the medical history and physical examination - Any diagnoses or conditions established during the course of care, treatment, or services - Any consultation reports - Any observations relevant to care, treatment, or services - The response to care, treatment, or services - Any emergency care, treatment, or services provided prior to arrival - Any progress notes - Any medications ordered or prescribed - Any medications administered, including the strength, dose, and route - Any access site for medication, administration devices used, and rate of administration (for intravenous therapy) - Any adverse drug reactions - Treatment goals, plan of care, and revisions to the plan of care, treatment, or services - Orders for diagnostic and therapeutic tests and procedures and their results

Scoring Category: C

Stated Goal (%): 100

Month 1 Date: 10/2012

Month 1 Actual Goal (%): 100

Month 2 Date: 11/2012

Month 2 Actual Goal (%): 100

Month 3 Date: 12/2012

Month 3 Actual Goal (%): 100

Month 4 Date: 01/2013

Month 4 Actual Goal (%): 100

Actual Average Goal (%): 100

VCPHCS XIX, LLC

Organization ID: 522008

1869 Highway 45 Bypass

Jackson, TN 38305

Accreditation Activity - 45-day Evidence of Standards Compliance Form

Due Date: 9/2/2012

BHC Standard RC.02.01.01 The clinical/case record contains information that reflects the care, treatment, or services provided to the individual served.

Findings: EP 2 Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. 'The treatment plan in one clinical record addressed the patient's history of depression. The clinical record did not provide information in the assessments about the patient's history of depression. The assessment queried whether the patient had received previous mental health treatment and the patient responded "yes." There was no further information documentation about the mental health treatment or about the current depression addressed in the treatment plan. Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The documentation in a second patient's clinical record indicated that the patient began treatment the previous day (6/24/2012) at an affiliated methadone clinic and was guest dosed the second day at this methadone clinic. The documentation required for guest dosing was faxed to this organization (order, physical evaluation) on 6/26/2012 and the patient was dosed at this clinic on 6/25/2012. This clinic did not receive documentation related to the patient's response to the first dose of methadone and this clinic did not document their observation of the patients second dose of methadone. The patient was admitted to this clinic on 6/26/2012. Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The information in four clinical records reviewed contained "dates of enrollment" that were different from the date the physician admitted this patient to this clinic. Interviews with staff indicated that the "date of enrollment" was the date of the first communication with the person. The clinical record did not

contain information about any interactions, communications or pre-screenings that transpired with the persons prior to the date that the person got admitted to the organization.

Elements of Performance:

2. The clinical/case record of the individual served contains the following clinical information: - The reason(s) for admission for care, treatment, or services - The initial diagnosis, diagnostic impression(s), or condition(s) - Any findings of assessments and reassessments - Any allergies to food - Any allergies to medications - Any conclusions or impressions drawn from the medical history and physical examination - Any diagnoses or conditions established during the course of care, treatment, or services - Any consultation reports - Any observations relevant to care, treatment, or services - The response to care, treatment, or services - Any emergency care, treatment, or services provided prior to arrival - Any progress notes - Any medications ordered or prescribed - Any medications administered, including the strength, dose, and route - Any access site for medication, administration devices used, and rate of administration (for intravenous therapy) - Any adverse drug reactions - Treatment goals, plan of care, and revisions to the plan of care, treatment, or services - Orders for diagnostic and therapeutic tests and procedures and their results

Scoring Category: C

Corrective Action Taken:

WHO:

The staff responsible for the corrective action and ongoing compliance are Barbara Doty (Program Director), Richard Jones, LADAC (Clinical Supervisor), Carolyn Thomas, LPN (Nursing Supervisor)and Ruszella Murphy (Administrative Support). Mrs. Doty, Mr. Jones and Mrs. Thomas conducted a training regarding treatment plans, treatment plan worksheets, biopsychosocial assessments and medical assessments. Mrs. Murphy conducted a training regarding the Inquiry Program versus the effective enrollment date into MMT. These trainings included form instruction training on the BHG extranet sight.

WHAT:

Mrs. Doty and Mr. Jones conducted a formal training on treatment plans, treatment plan worksheets, clinical assessments and biopsychosocial assessments. Mrs. Thomas conducted a medical training regarding nursing assessments, guest dose/permanent transfer paperwork and appropriate medical documentation regarding initial contact with patients. Mrs. Murphy conducted a formal training on the initial contact with patients (Inquiry Program) versus the effective date of a patient being enrolled in

MMT. A formal training roster has been completed for all staff, with signatures for verification of the training.

WHEN:

The trainings were conducted on the following dates: 1. Treatment Plans, treatment plan worksheet, biopsychosocial assessments and forms instructions training was conducted on August 29, 2012. 2. The medical assessment, guest dose/permanent transfer paperwork, forms instructions along with appropriate medical documentation on initial contact was conducted on August 29, 2012. 3. The Inquiry Program training versus the effective date for enrollment into the MMT was conducted on July 23, 2012.

HOW:

It is BHG's current policy to complete a chart audit inspection of one third of the census each month in order to complete the entire census within the quarter. This chart or "peer review" inspection would include treatment plans, treatment plan worksheets, biopsychosocial, medical and enrollment dates for MMT program versus Inquiry Program.

Evaluation Method: Barbara Doty (Program Director), Richard Jones, LADAC, Carolyn Thomas, LPN and Ruszella Murphy will be the persons responsible for ensuring and assessing that the corrective action plan is being completed. They will audit a random sampling of 50 cases each month for a four month track record, auditing for treatment plans, treatment plan worksheets, biopsychosocial assessments, medical documentation regarding guest dose/permanent transfer and initial patient contact versus when a patient enrolls in MMT. The goal is to be 100% compliant.

Measure of Success Goal (%): 100

VCPHCS XIX, LLC

Organization ID: 522008

1869 Highway 45 Bypass

Jackson, TN 38305

Accreditation Activity - 60-day Evidence of Standards Compliance Form

Due Date: 9/17/2012

BHC Standard HR.02.01.03 The organization assigns initial, renewed, or revised clinical responsibilities to staff who are permitted by law and the organization to practice independently.

Findings: EP 23 Observed in Competency Session at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The assignment of clinical responsibilities has not been completed for one of two LIP's who provide medical care in this organization

Elements of Performance:

23. The governing body approves, in writing, clinical responsibilities.

Scoring Category: A

Corrective Action Taken:

WHO:

Director of Human Resources,Nancy Peek completed the NPDB on 9/6/12 for Dr.Moragne. Stacey Harris, Director of Compliance/QA completed the Clinical Assignment of Responsibilities and will be responsible for the ongoing compliance.

WHAT:

Director of Human Resources,Nancy Peek completed the NPDB 9/6/12 for Dr.Moragne. LIP packet was completed by Dr. Moragne on 9/5/12. Stacey Harris, Director of Compliance/QA completed the assignment of Clinical Responsibilities on 9/6/12 regarding Dr. Moragne.

WHEN:

The LIP application was completed on 9/5/12 by Dr. Moragne. Nancy Peek completed the NPDB on 9/6/12 Stacey R. Harris completed the Assignment of clinical Responsibilities on 9/6/12.

HOW:

The process for hiring LIP's was in place at time of survey. No changes were made to the process. The clinic failed to follow the current policies and procedures. The Director of Compliance will monitor quarterly for ongoing compliance with the LIP applications utilizing the HR audit tool.

BHC Standard LD.04.01.07 The organization has policies and procedures that guide and support care, treatment, or services.

Findings: EP 1 Observed in Document Review at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The policies and procedures specific to Temporary Transfers (or guest dosing) did not address the

interim procedures to be implemented when a person requesting immediate admission to this clinic begins treatment at an affiliated clinic and then guest doses at this clinic until the day they can be scheduled to this clinic for admission to this clinic. Observed in Document Review at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The admission and scope of assessment policy or policies did not clearly address the criteria for either reviewing an revising an assessment or initiating a new assessment when a patient was initially admitted to an affiliated clinic and then transferred to this clinic within a short time.

Elements of Performance:

1. Leaders review and approve policies and procedures that guide and support care, treatment, or services.

Scoring Category: A

Corrective Action Taken:

WHO:

Stacey R. Harris, Director of Compliance/QA and Tina Beckley, Clinical Quality Manager were responsible for developing the Policy and Procedures regarding transfer, guest dosing, admission requirements, physician orders and assessment review for "BHG" patients or non "BHG" patients. Dr. Kelly Clark, CMO and James Draudt, COO approved the Policy and Procedures. Barbara Doty, Program Director is responsible for conducting the P&P training and ongoing compliance.

WHAT:

The element of performance was addressed by writing a Policy and Procedure regarding transfers,guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012.

WHEN:

The dates for the P&P and trainings are as follows: 1. Policy and Procedure completed and approved on 9/6/2012 2. New P&P training to Barbara Doty on 9/12/2012 3. Barbara Doty conducted P&P training to the staff on 9/13/2012

HOW:

The element of performance was addressed by writing a Policy and Procedure regarding transfers,guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012. The medical and clinical staff were required to participate in the Policy and Procedure training along with a formal completion of a staff roster for verification of the training. The process for sustaining compliance has been addressed in the audit tool. It is our current policy that 1/3 of the census is audited per month with the entire census completed each quarter. Barbara Doty is responsible for the corrective action plan and ongoing compliance.

BHC Standard MM.04.01.01 Medication orders are clear and accurate. Note: This standard is applicable only to organizations that prescribe medications. The elements of performance in this standard do not apply to prescriptions written by a prescriber who is not affiliated with the organization.

Findings: EP 5 Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The documentation in one clinical record indicated that the patient was guest dosed at this clinic the day before the order was faxed to the clinic.

Elements of Performance:

5. For organizations that prescribe medications: The organization has a written policy that defines actions to take when medication orders are incomplete, illegible, or unclear.

Scoring Category: A

Corrective Action Taken:

WHO:

Stacey R. Harris, Director of Compliance/QA and Tina Beckley, Clinical Quality Manager were responsible for developing the Policy and Procedures regarding transfer, guest dosing, admission requirements, physician orders and assessment review for "BHG" patients or non "BHG" patients. Dr. Kelly Clark, CMO and James Draudt, COO approved the Policy and Procedures. Barbara Doty, Program Director is responsible for conducting the P&P training and ongoing compliance.

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WHEN:

The dates for the P&P and trainings are as follows: 1. Policy and Procedure completed and approved on 9/6/2012 2. New P&P training to Barbara Doty on 9/12/2012 3. Barbara Doty conducted P&P training to the clinical and medical staff on 9/13/2012

HOW:

The element of performance was addressed by writing a Policy and Procedure regarding transfers,guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012. The medical and clinical staff were required to participate in the Policy and Procedure training along with a formal completion of a staff roster for verification of the training. The process for sustaining compliance has been addressed in the audit tool. It is our current policy that 1/3 of the census is audited per month with the entire census completed each quarter. Barbara Doty is the person responsible for the corrective action plan and ongoing compliance.

Miscellaneous Information

BHG

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Opioid Addiction Treatment Services

Home | Get Treatment | About Us | Addiction 101 | Our Approach | Team | Locations | Careers | Resources

For Patients | For Families | For Communities

Addiction affects friends and family as well as the person suffering from addiction. BHG supports families as their loved ones move through the treatment process. ↗

Behavioral Health Group (BHG) is a leading provider of opioid addiction treatment services.

With 37 locations in Colorado, Kansas, Kentucky, Louisiana, Missouri, Oklahoma, Tennessee, and Texas, BHG provides pharmacotherapeutic maintenance and detoxification services in a conventional outpatient setting.

BHG's services include Methadone maintenance and Buprenorphine (aka: Suboxone) maintenance programs.

At Behavioral Health Group, we believe that all human beings possess inherent worth and deserve compassion, dignity, and respect, regardless of addiction, age, sex, health status, sexual orientation, disability, or social or ethnic origin. We are committed to the belief that no patient should walk through the doors of our treatment centers without feeling a sense of **Hope, Respect,** and **Caring.**

We work with patients to restore, maintain, and enhance their personal well-being - and, in doing so, we improve the well-being of their families, friends, and communities. Ultimately, we help patients make a positive difference in their own lives and, by extension, in their communities.

Click here to view a list of our treatment center locations.

Frequently Asked Questions:

Q: Why do we need an opioid treatment facility in this community?

Drug addiction ignores every socio-economic variable and finds its way into all communities. Treating addiction is far less costly than ignoring addiction. Demographic data on patients indicates that the vast majority of patients in treatment have long associations with the community as a person struggling...

more ↗

Words From Our Patients:

I was taking 25 Hydrocodone a day and 3 to 4 OxyContin. I was ready to stop and clean myself up. I went to (residential) rehab for 6 months and got out and went right back. I came to BHG, and after about 6 months I was off the drugs and on my way to cleaning up my life. Now I don't take any drugs, and I feel much better about my life because of BHG and the help I am getting here.

more ↗

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Opioid Addiction Treatment Services

About Us | Opioid Addiction Treatment Services

Who We Are

Behavioral Health Group (BHG) is a leading provider of opioid addiction treatment services. Our treatment centers provide pharmacotherapeutic maintenance and detoxification services in a conventional outpatient setting. With 37 locations in Colorado, Kansas, Kentucky, Louisiana, Missouri, Oklahoma, Tennessee, and Texas, BHG provides a critical service to thousands of individuals and their communities across the country.

Mission

BHG's mission is to be the best-in-class network of opioid treatment facilities by producing superior patient outcomes. We accomplish this goal by providing each person who enters our programs with a medically based treatment experience in accordance with our governing bodies. Our treatment rehabilitates those aspects of the person which are suffering; builds upon the strengths of that person; protects that person's rights to privacy, respect and dignity; and assists in the development of a better quality of life. In doing so, we improve the lives and communities of those we touch and serve, and we build a strong company that serves its patients and communities over the long term.

Values

We operate according to these core values:

- Character: honesty, fairness and integrity
- Enthusiasm: vigorous commitment to everything we do
- Compassion: unwavering, disciplined support for the patient
- Teamwork: shared leadership and rewards
- Perseverance: diligence and hard work

We expect our patients, our communities, and our stakeholders across the United States to hold us accountable to these values.

Quality of Care

Quality care is our top priority. We pride ourselves on treating individuals according to best practice. We relentlessly measure ourselves against a wide array of outcomes-based metrics, because everything we do – from the quality of our patient-counselor relationships, to the effectiveness of our treatment teams, to simply being cheerful in the routine course of operations – matters when it comes to results.

BHG facilities are accredited by the Joint Commission on Accreditation of Healthcare Organizations.

About Us

Team

Inquire about Treatment with BHG

Frequently Asked Questions:

Q: Is methadone related in any way to the "meth" that one sees in the news?

Absolutely not. Methadone is in no way related to "meth," which is the nickname for methamphetamine. Methadone is a legal opioid produced by pharmaceutical companies for the relief of pain and for use in the treatment of opioid abuse. Methamphetamine – or "crystal meth" as it is commonly known – is a non-opioid,...

more

Words From Our Patients:

I know that if it wasn't for BHG I would be in one of two places - in prison or in the ground. It has changed my life for the better. Also, the people here really do care and are here for you. I would recommend that anyone who has a drug dependency get help.

more

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Opioid Addiction Treatment Services

Addiction 101 | Opioid Addiction Treatment Services

According to the American Society of Addiction Medicine, addiction is defined as "Addiction is a primary, chronic disease of brain reward, motivation, memory and related circuitry. Dysfunction in these circuits leads to characteristic biological, psychological, social and spiritual manifestations. This is reflected in the individual pursuing reward and/or relief by substance use and other behaviors. The addiction is characterized by impairment in behavioral control, craving, inability to consistently abstain, and diminished recognition of significant problems with one's behaviors and interpersonal relationships. Like other chronic diseases, addiction can involve cycles of relapse and remission. Without treatment or engagement in recovery activities, addiction is progressive and can result in disability or premature death."

Treatment For Addiction

While there are many types of addiction, Behavioral Health Group specializes in treating addiction to opioids. Our treatement centers institute treatment for opioid addiction through a combination of methadone maintenance treatment and behavioral counseling.

more

Addiction 101

What Is Addiction?

What Are Opioids?

Frequently Asked Questions:

Q: Is methadone safe?

For more than 45 years, methadone has been used to treat opioid addiction. When taken under medical supervision, long-term maintenance causes no adverse effects to the heart, lungs, liver, kidneys, bones, blood, brain, or other vital body organs. Properly administered, methadone produces no serious side effects, although some patients experience minor symptoms such as constipation, water retention,...

more

Words From Our Patients:

Methadone Maintenance Treatment has saved my life. I don't know where I would be without it. I have my quality of life back. My relationship with my family has greatly improved due to this. Before methadone, my life revolved around getting high and the next fix. That, unfortunately, was what was important. I wasn't able to be the parent, friend, daughter, sister, or lover that I wanted to be. Life sucked. Since starting methadone maintenance treatment a little over two ...

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Opioid Addiction Treatment Services

Our Approach | Opioid Addiction Treatment Services

Patient-Centered Treatment

BHG's Patient-Centered Treatment program uses a two-pronged approach to address the medical and behavioral aspects of opioid addiction. This Medication Assisted Treatment (MAT) uses Methadone or Buprenorphine (aka: Suboxone) to address a patient's physical dependence on Opioids, and team-based Behavioral Counseling to address a patient's psychological dependence.

Hope, Respect, and Caring

Every contact we have with a patient or with someone who cares for a patient should leave that other person with a sense of **Hope, Respect,** and **Caring**. We offer **Hope** for people suffering from the disease of opioid addiction, because we know that the treatment we offer can help them regain the things they've lost due to their untreated disease. We provide **Respect** through our multidisciplinary, team-delivered treatment of addiction, ensuring that our patients are treated with the same dignity and respect that any health care provider gives to a patient suffering from a medical condition. Finally, our patients and the communities we serve should feel with every contact they have with BHG that we deeply **Care** about the epidemic of opioid addiction, and that we are committed to providing high quality care to those who suffer from this disease.

BHG's Medical Mission

The Medical Mission of BHG is to empower our patients to realize their best level of functioning in the community. We achieve this outcome by using medication assisted treatment at the lowest possible medication dosage to control the medical and behavioral signs of opioid addiction. BHG provides evidence-based, team-delivered, medication-assisted treatment of opioid dependence that allows each patient to work toward achieving his or her best level of functioning in the community.

more

Our Approach

- Inquire about Treatment with BHG
- Who We Treat
- Our Treatment Model
- What is Methadone?
- What is Suboxone?
- Proven Treatment
- Inquire about Treatment with BHG

Frequently Asked Questions:

Q: Shouldn't people be able to "just quit?"

It is extremely difficult to overcome a drug addiction. Many have tried to "just quit," but unfortunately, typically fail. Because of the physical effects of prolonged drug usage, the body has become chemically dependent on the very thing it should avoid. We have consistently found, and independent research proves, that by combining medication-assisted treatment with...

more

Words From Our Patients:

Before going to the BHG clinic and beginning methadone treatment and counseling sessions my life had no hope. I was using drugs of all sorts and doing things I thought I never would see myself do. I thought there was no answer to my problem (addiction). I lost all control of my life. I am very sure if it wasn't for methadone treatment and counseling that I wouldn't be here today. Thanks to the other thoughtful and courteous people at my clinic: the program director and the...

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BHG

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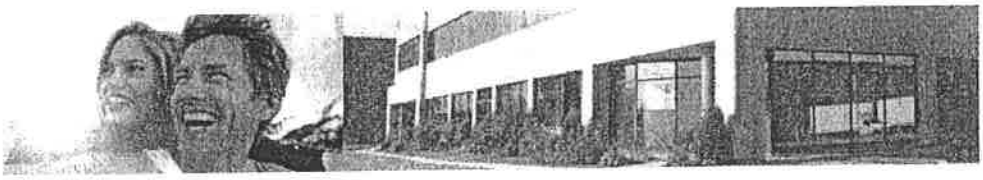
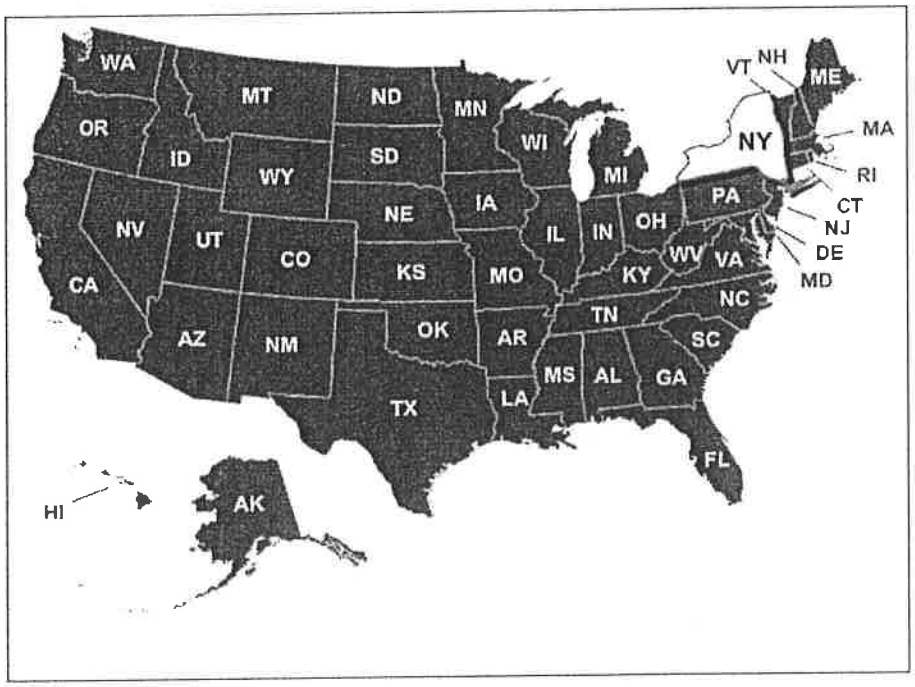
Opioid Addiction Treatment Services



Locations | Opioid Addiction Treatment Services

Select Your State

- Colorado
- Kansas
- Kentucky
- Louisiana
- Missouri
- Oklahoma
- Tennessee
- Texas



ADDRESS: Type in your Full Addr

RADIUS: 25 MILES

SEARCH

* Note that dispensing hours vary by location.

Corporate Offices

Behavioral Health Group
Corporate Offices
8300 Douglas Ave, Suite 750
Dallas, TX 75225

Frequently Asked Questions:

Q: Is methadone safe?

For more than 45 years, methadone has been used to treat opioid addiction. When taken under medical supervision, long-term maintenance causes no adverse effects to the heart, lungs, liver, kidneys, bones, blood, brain, or other vital body organs. Properly administered, methadone produces no serious side effects, although some patients experience minor symptoms such as constipation, water retention,...

more

Words From Our Patients:

The methadone maintenance program at BHG has helped me tremendously to stay off heroin, and my counselor is great. She is down to earth, and I feel that she knows me. Without this program, I would surely be dead sooner or later, and it is helping me with my relationship with my fiancé.

more

214-365-6100

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Colorado Drug Abuse Rehabilitation Centers

BHG Boulder Treatment Center
1317 Spruce Street
Boulder, CO 80302
303-245-0123
Hours of Operation:
Monday through Friday, 5:00 am – 1:30 pm
Saturday, 7:00 am – 9:00 am

BHG Denver Downtown Treatment Center
1337 Delaware Street, 1st Floor
Denver, CO 80204
303-629-5293
Hours of Operation:
Monday through Friday, 5:00 am – 1:30 pm
Saturday, 6:00 am – 9:00 am

BHG Westminster Treatment Center
8407 N. Bryant Street
Westminster, CO 80031
303-487-7776
Hours of Operation:
Monday through Friday, 5:00 am – 1:30 pm
Saturday, 6:00 am – 9:00 am

BHG Fort Collins Treatment Center
3825 E. Mulberry, Unit 5-C
Fort Collins, CO 80524
970-224-0495
Hours of Operation:
Monday through Friday, 5:30 am – 1:30 pm
Saturday, 7:00 am – 10:00 am

Kansas Drug Abuse Rehabilitation Centers

BHG Overland Park Treatment Center
6331 W. 110th Street
Overland Park, KS 66211
913-696-1911
Hours of Operation:
Monday through Friday, 5:00 am – 1:30 pm
Saturday, 5:00 am – 9:00 am

Kentucky Drug Abuse Rehabilitation Centers

BHG Paintsville Treatment Center
628 Jefferson Avenue
Paintsville, KY 41240
606-789-6966
Hours of Operation:
Monday through Friday, 5:30 am – 2:00 pm
Saturday and Sunday, 6:00 am – 10:00 am

BHG Hazard Treatment Center
48 Independence Drive
Hazard, KY 41701
606-487-1646
Hours of Operation:
Monday through Friday, 5:30 am – 2:00 pm
Saturday, 5:30 am – 9:30 am
Sunday, 6:00 am – 10:00 am

BHG Pikeville Treatment Center
368 South Mayo Trail
Pikeville, KY 41501
606-437-0047
Hours of Operation:
Monday, Wednesday through Friday, 5:30 am – 2:00 pm
Tuesday, 5:30 am – 5:30 pm
Saturday and Sunday, 6:00 am – 10:00 am

BHG Paducah Treatment Center
125 South 17th St
Paducah, KY 42001
270-443-0096
Hours of Operation:
Monday through Friday, 5:30 am – 2:00 pm
Saturday, 6:00 am – 8:00 am
Sunday, 7:00 am – 8:00 am

BHG Corbin Treatment Center
967 US Highway 25 W.
Corbin, KY 40701
606-526-9348
Hours of Operation:
Monday through Friday, 5:30 am – 2:00 pm
Saturday, 5:30 am – 9:30 am
Sunday, 6:30 am – 9:30 am

BHG Lexington Treatment Center
340 Legion Dr.
Lexington, KY 40504
859-276-0533
Hours of Operation:
Monday through Friday, 5:30 am – 2:00 pm
Saturday, 6:00 am – 8:30 am
Sunday, 6:00 am – 8:00 am

Louisiana Drug Abuse Rehabilitation Centers

BHG New Orleans Downtown Treatment Center
417 South Johnson Street
New Orleans, LA 70112
504-524-7205
Hours of Operation:
Monday through Friday, 5:00 am – 1:30 pm
Saturday, 5:00 am – 9:00 am

BHG New Orleans Westbank Treatment Center
1141 Whitney Avenue, Building 4
Gretna, LA 70056
504-347-1120
Hours of Operation:
Monday through Friday, 5:00 am – 1:30 pm
Saturday, 5:00 am – 10:00 am

BHG Lake Charles Treatment Center
2829 4th Avenue, Suite 200
Lake Charles, LA 70601
337-433-8281
Hours of Operation:
Monday through Friday, 5:00 am – 12:30 pm
Saturday, 6:00 am – 8:30 am

Missouri Drug Abuse Rehabilitation Centers

BHG Kansas City Treatment Center
723 E. 18th Street
Kansas City, MO 64108
816-283-3877
Hours of Operation:
Monday through Friday, 6:00 am - 2:30 pm
Saturday, 5:00 am - 7:30 am

BHG Columbia, MO Treatment Center
1301 Vandiver Square, Suite Y
Columbia, MO 65202
573-449-8338
Hours of Operation:
Monday through Friday, 6:00 am - 11:30 am,
12:30 pm - 2:30 pm
Saturday, 7:00 am - 9:00 am

BHG Poplar Bluff Treatment Center (COMING SOON)
1369 North Westwood Blvd
Poplar Bluff, MO 63901

BHG Springfield Treatment Center
404 East Battlefield
Springfield, MO 65807
417-865-8045
Hours of Operation:
Monday through Wednesday, Friday,
5:00 am – 1:30 pm
Thursday, 5:00 am – 11:30 am
Saturday, 7:30 am – 10:00 am

BHG Joplin Treatment Center
2919 East 4th Street
Joplin, MO 64801
417-782-7966
Hours of Operation:
Monday, 5:00 am – 10:30 pm
Tuesday through Friday, 5:00 am – 1:30 pm
Saturday, 6:00 am – 8:00 am

BHG West Plains Treatment Center (COMING SOON)
1639 Bruce Smith Pkwy
West Plains, MO 65775

Oklahoma Drug Abuse Rehabilitation Centers

BHG Oklahoma City Treatment Center
5401 SW 29th Street
Oklahoma City, OK 73179
405-681-2003
Hours of Operation:
Monday through Friday, 5:00 am – 12:45 pm
Saturday, 6:00 am – 9:00 am

Tennessee Drug Abuse Rehabilitation Centers

BHG Knoxville Bernard Treatment Center
626 Bernard Avenue
Knoxville, TN 37921
865-522-0161
Hours of Operation:
Monday through Friday, 5:30 am – 2:30 pm

BHG Memphis Mid-Town Treatment Center
1734 Madison Avenue
Memphis, TN 38104
901-722-9420
Hours of Operation:
Monday through Friday, 5:30 am – 2:00 pm

Saturday and Sunday, 5:30 am – 9:30 am

BHG Knoxville Citico Treatment Center
412 Citico Street
Knoxville, TN 37921
865-522-0661
Hours of Operation:
Monday through Friday, 5:30 am – 2:30 pm
Saturday and Sunday, 5:30 am – 9:30 am

BHG Nashville Treatment Center
2410 Charlotte Avenue
Nashville, TN 37203
615-321-2575
Hours of Operation:
Monday through Friday, 6:00 am – 3:00 pm
Saturday and Sunday, 6:00 am – 9:30 am

BHG Memphis South Treatment Center
3041 Getwell Road, Bldg. A
Memphis, TN 38118
901-375-1050
Hours of Operation:
Monday through Friday, 5:00 am – 2:00 pm
Saturday and Sunday, 5:30 am – 9:30 am

BHG Dyersburg Treatment Center
640 US 51 Bypass East Suite M
Dyersburg, TN 38024
731-285-6535
Hours of Operation:
Monday through Friday, 5:00 am – 11:00 am
Saturday, 6:00 am – 10:00 am
Sunday, 5:00 am – 8:00 am

Saturday and Sunday, 6:00 am – 9:00 am

BHG Jackson Treatment Center
1869 Highway 45 Bypass, Suite 5
Jackson, TN 38305
731-660-0880
Hours of Operation:
Monday through Friday, 5:00 am – 1:30 pm
Saturday and Sunday, 5:30 am – 9:00 am

BHG Paris Treatment Center
2555 East Wood St.
Paris, TN 38242
731-641-4545
Hours of Operation:
Monday through Friday, 5:00 am – 1:30 pm
Saturday and Sunday, 6:00 am – 9:30 am

BHG Memphis North Treatment Center
2960-B OLD Austin Peay Hghwy
Memphis, TN 38128
901-372-7878
Hours of Operation:
Monday through Friday, 5:00 am – 1:30 pm
Saturday, 6:00 am – 10:30 am
Sunday, 6:00 am – 9:00 am

BHG Columbia, TN Treatment Center
1202 S. James Campbell Blvd. Suite 7-A
Columbia, TN 38401
Phone: 931-381-0020
Hours of Operation:
Monday through Friday, 5:30 am – 11:30 am
Saturday and Sunday, 6:00 am – 9:00 am

Texas Drug Abuse Rehabilitation Centers

BHG Denison Treatment Center
1105 Memorial Drive, Suite 101
Denison, TX 75020
903-464-0727
Hours of Operation:
Monday through Friday, 5:00 am – 12:00 pm
Saturday, 6:30 am – 8:30 am

BHG Wichita Falls Treatment Center
207 Broad Street
Wichita Falls, TX 76301
940-322-9355
Hours of Operation:
Monday through Friday, 5:30 am – 8:30 am
Saturday, 7:00 am – 8:00 am

BHG Lufkin Treatment Center
216 North John Redditt Drive
Lufkin, TX 75904
936-637-2223
Hours of Operation:
Monday through Friday, 5:30 am – 12:00 pm
Saturday, 7:00 am – 9:00 am

BHG San Antonio Treatment Center
519 E. Quincy
San Antonio, TX 78215
210-299-1614
Hours of Operation:
Monday through Friday, 5:00 am – 12:00 pm
Saturday, 6:00 am – 10:00 am

BHG Center Treatment Center
1110 Tenaha Street
Center, TX 75935
936-598-6608
Hours of Operation:
Monday through Friday, 4:45 am – 12:00 pm
Saturday, 5:30 am – 7:30 am

BHG Humble Treatment Center
19333 Highway 59 North 280
Humble, TX 77338
713-705-7198
Hours of Operation:
Monday through Friday, 5:00 am – 1:30 pm
Saturday, 6:00 am – 9:00 am

Behavioral Health Group - 8300 Douglas Ave, Suite 750, Dallas, TX, 75225. Phone: 214-365-6100 - http://www.bhgrecovery.com.

IDU HIV PREVENTION 42

FEBRUARY 2002

METHADONE MAINTENANCE TREATMENT

Methadone maintenance treatment (MMT) can help injection drug users (IDUs) reduce or stop injecting and return to productive lives. However, its use is still sometimes publicly controversial and many factors limit the effectiveness of MMT services. New federal regulations, which have overhauled the MMT system, promise a more flexible approach and improved delivery of these needed, life-saving services.

Opiate Addiction is a Major Individual and Public Health Problem

It is estimated that at least 980,000 people in the United States are currently addicted to heroin and other opiates (such as oxycontin, dilaudid, and hydrocone). They risk premature death and often suffer from HIV, hepatitis B or C, sexually transmitted disease (STDs), liver disease from alcohol abuse, and other physical and mental health problems. It is estimated that 5,000-10,000 IDUs die of drug overdoses every year. Many are involved with the criminal justice system.

A 1997 National Institutes of Health (NIH) report estimated the financial costs of untreated opiate addiction at $20 billion per year. These costs, combined with the social costs of destroyed families, destabilized communities, increased crime, increased disease transmission, and increased health care costs, mean that opiate addiction is a major problem for affected individuals and society.

Methadone Maintenance Treatment is the Most Effective Treatment for Opiate Addiction

Methadone is a synthetic agent that works by "occupying" the brain receptor sites affected by heroin and other opiates. Methadone:

- blocks the euphoric and sedating effects of opiates;
- relieves the craving for opiates that is a major factor in relapse;
- relieves symptoms associated with withdrawal from opiates;
- does not cause euphoria or intoxication itself (with stable dosing), thus allowing a person to work and participate normally in society;
- is excreted slowly so it can be taken only once a day.

Methadone maintenance treatment, a program in which addicted individuals receive daily doses of methadone, was initially developed during the 1960s as part of a broad, multicomponent treatment program that also emphasized resocialization and vocational training.

These benefits include:

- reduced or stopped use of injection drugs;
- reduced risk of overdose and of acquiring or transmitting diseases such as HIV, hepatitis B or C, bacterial infections, endocarditis, soft tissue infections, thrombophlebitis, tuberculosis, and STDs;
- reduced mortality – the median death rate of opiate-dependent individuals in MMT is 30 percent of the rate of those not in MMT;
- possible reduction in sexual risk behaviors, although evidence on this point is conflicting;
- reduced criminal activity;
- improved family stability and employment potential; and
- improved pregnancy outcomes.

Using commonly accepted criteria for medical interventions, several studies have also shown that MMT is extremely cost-effective.

Key Issues in Effective Methadone Maintenance Treatment

Dose

Most patients require a dose of 60-120 mg/day to achieve optimum therapeutic effects of methadone. Compared to those on lower doses, patients on higher doses are shown to stay in treatment

longer, use less heroin and other drugs, and have lower incidence of HIV infection. Some patients need even higher doses for fully effective treatment.

Studies of methadone effectiveness have shown a dose-response relationship, with higher doses more effective in reducing heroin use, helping patients stay in treatment, and reducing criminal activity. Despite compelling evidence that doses need to be determined on an individual basis, that higher doses are more effective, and that doses of 60-120 mg/day are required for most patients, some clinics administer fixed doses to all patients and provide less than optimal doses.

Length of treatment

Studies have shown that good outcomes from substance abuse treatment are unequivocally contingent on adequate length of treatment. A research-based guide on the principles of substance abuse treatment, released in 1999 by the National Institute on Drug Abuse (NIDA), notes that "For methadone maintenance, 12 months of treatment is the minimum, and some opiate-addicted individuals will continue to benefit from methadone maintenance treatment over a period of years." Despite this fact, the majority of MMT patients leave before 1 year, either because they drop out, the clinic encourages them to leave, or they are discharged for not complying with program regulations. Most of those who discontinue MMT later relapse to heroin use. This illustrates the difficulty of the addiction recovery process and the fact that individuals may need multiple episodes of treatment over time.

The need to tailor treatment to subgroups of IDUs and to individual patients

IDUs come to MMT with a broad range of issues and problems in addition to their drug addiction. For example, about 40 percent of patients entering methadone treatment use cocaine or crack as well as heroin; perhaps a quarter also abuse alcohol. Studies have shown that 67-84% of MMT patients have been infected with hepatitis C. About 10 million people in the U.S. have co-occurring substance abuse and mental disorders; more than 40 percent of those with addictive disorders also have mental disorders. IDUs frequently have unstable living situations and may need multiple social services. Treatment programs tailored to the specific needs of patients can respond more effectively to these varied types of patients.

Continued use of heroin, cocaine, alcohol, and other drugs

It is relatively common for MMT patients to continue using heroin, other drugs such as cocaine or marijuana, and alcohol after admission to treatment. This reflects the long history of use, the complexity of patients' situations and reasons for using drugs, and the biological basis of addiction. Many patients in treatment do not have complete control over their addictions at all times. Realistic expectations of treatment reflect the understanding that recovery is a day-to-day process with occasional relapses.

The Regulation and Administration of MMT has Undergone a Radical Change

The context for change

Despite 30 years of experience and widespread acceptance by addiction specialists and health agencies, MMT has sometimes been publicly controversial in the U.S. and other countries. Critics have cited the belief that methadone treatment merely substitutes one addiction for another and that achieving a drug-free state is the only valid treatment goal. Misunderstandings about the nature of drug addiction (not seeing it as a biomedical condition) are part of the reason why MMT has sometimes been met with limited acceptance by communities, health care providers, and the public. Critics opposed to expanding MMT programs also express concerns that they may be a magnet for crime and drug dealing and that patients will divert methadone (sell it to supplement their income or buy or sell it to help friends in withdrawal). As a result, the use of methadone to treat addiction has been heavily regulated and strictly controlled in this country. For example, until now, MMT has been delivered only through specially licensed clinics, called Opioid Treatment Programs.

These regulations and controls have meant that MMT programs have had limited flexibility and ability to respond to the needs of patients, including in such key areas as dose and length of treatment. The regulations also have limited the number of physicians who are available to treat heroin addiction and the settings and locations in which treatment can occur.

The change

In May 2001, the U.S. Department of Health and Human Services (DHHS) announced a new system for regulating and monitoring MMT. Under this new system, oversight responsibility for MMT in the United States shifted from the Food and Drug Administration (FDA) to the Substance Abuse and Mental Health Services Administration's Center for Substance Abuse Treatment (CSAT).

This new system represents a fundamental change in the approach to substance abuse treatment and in the federal government's role in ensuring effective and accountable MMT programs. It relies on accreditation of MMT programs by independent organizations and states, in accordance with treatment standards that have been developed by CSAT over the last 10 years.

These standards reflect current knowledge about the nature of opiate addiction as a chronic brain disease and the principles underlying effective long-term, comprehensive treatment. The standards are based on "best practice guidelines" and

emphasize improving quality of care in areas such as individualized treatment planning, increased medical supervision, and assessment of patients. The new system continues to accommodate community concerns, however, by retaining regulations that are designed to reduce diversion of methadone.

The designers of this new approach believe that shifting to an accreditation approach will significantly improve care for IDUs by:

- improving access to and quality of MMT programs;
- allowing for increased professional discretion and medical judgment in designing treatment plans based on individual needs, especially in managing methadone doses and length of treatment, and whether withdrawal from medication is possible or desirable;
- helping to move MMT closer to the mainstream of health care practice (this increase in the range of settings may increase MMT in physicians' offices and increase interest by hospitals and HMOs in providing these services);
- improving oversight and accountability and helping to promote state-of-the-art treatment services; and
- enhancing patient rights and patient responsibilities.

To Learn More About This Topic

Read the overview fact sheet in this series on drug users and substance abuse treatment – "Substance Abuse Treatment for Injection Drug Users: A Strategy with Many Benefits." It provides basic information, links to the other fact sheets in this series, and links to other useful information (both print and web).

Visit websites of the Centers for Disease Control and Prevention (*www.cdc.gov/idu*) and the Academy for Educational Development (*www.health-strategies.org/pubs/publications.htm*) for these and related materials:

- *Preventing Blood-borne Infections Among Injection Drug Users: A Comprehensive Approach*, which provides extensive background information on HIV and viral hepatitis infection in IDUs and the legal, social, and policy environment, and describes strategies and principles of a comprehensive approach to addressing these issues.
- *Interventions to Increase IDUs' Access to Sterile Syringes*, a series of six fact sheets.
- *Drug Use, HIV, and the Criminal Justice System*, a series of eight fact sheets.

Visit these websites:

- The Substance Abuse and Mental Health Services Administration, to learn more about the new federal regulations governing methadone treatment programs: *www.samhsa.gov/news/news.html* (click on Archives of News Releases and scroll down to the two May 18, 2001 releases)
- The Addiction Treatment Forum, which publishes newsletters and other information on substance abuse and addiction research, therapies, news: *www.atforum.com/*
- The American Methadone Treatment Association: *www.americanmethadone.org/*

See the October/November 2000 and January 2001 issues of the *Mt. Sinai Journal of Medicine*. The 14 papers in these two theme issues focus on a wide range of issues related to methadone maintenance treatment and its impact on IDUs, including those infected with HIV or hepatitis C. *Mt. Sinai Journal of Medicine* 2000;67(5&6) *www.mssm.edu/msjournal/67/67356.shtml* and 2001;68(1) *www.mssm.edu/msjournal/68/681.shtml*

Check out these sources of information:

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CDC
SAFER·HEALTHIER·PEOPLE™
Department of Health and Human Services
http://www.cdc.gov/idu

Through the Academy for Educational Development (AED), IDU-related technical assistance is available to health departments funded by CDC to conduct HIV prevention and to HIV prevention community planning groups (CPGs). For more information, contact your CDC HIV prevention project officer at 404-639-5230 or AED at (202) 884-8952.

Produced by the Academy for Educational Development, with funding from CDC.

	Female					Male					
COUNTY	0 - 18	19 - 20	21 - 64	65 -->	Female Total	0 - 18	19 - 20	21 - 64	65 -->	Male Total	Grand Total
HICKMAN	1,359	130	1,196	187	2,872	1,524	103	655	84	2,366	5,238
HOUSTON	384	26	372	115	896	429	22	183	70	705	1,601
HUMPHREYS	908	81	799	156	1,943	966	36	386	69	1,458	3,401
JACKSON	615	46	582	137	1,379	668	39	342	93	1,142	2,522
JEFFERSON	2,822	185	2,209	493	5,708	2,947	128	1,074	203	4,352	10,060
JOHNSON	918	79	857	287	2,140	965	55	559	146	1,726	3,866
KNOX	17,139	1,153	15,146	2,395	35,833	17,821	784	6,507	999	26,110	61,943
LAKE	411	45	496	148	1,100	508	34	222	69	833	1,934
LAUDERDALE	1,884	157	1,689	306	4,037	1,915	122	673	123	2,833	6,870
LAWRENCE	2,248	195	1,871	403	4,717	2,493	137	895	157	3,682	8,399
LEWIS	676	55	538	115	1,384	710	51	238	53	1,051	2,435
LINCOLN	1,727	124	1,343	288	3,481	1,814	106	670	115	2,706	6,187
LOUDON	2,081	146	1,466	274	3,966	2,112	91	679	112	2,993	6,959
MACON	1,651	118	1,338	247	3,354	1,695	82	651	111	2,540	5,894
MADISON	5,880	451	5,271	831	12,433	5,821	287	1,835	330	8,273	20,706
MARION	1,605	147	1,525	244	3,521	1,632	89	661	131	2,514	6,035
MARSHALL	1,529	101	1,233	162	3,025	1,602	75	517	65	2,259	5,284
MAURY	4,116	282	3,345	534	8,277	4,380	202	1,293	187	6,062	14,339
MCMINN	2,762	206	2,359	511	5,837	2,895	151	1,077	206	4,330	10,168
MCNAIRY	1,657	153	1,599	387	3,796	1,723	117	890	188	2,918	6,714
MEIGS	690	62	582	88	1,423	725	52	307	42	1,126	2,549
MONROE	2,549	209	2,242	506	5,506	2,805	121	1,165	255	4,345	9,852
MONTGOMERY	7,041	506	5,675	640	13,861	7,367	302	1,867	211	9,747	23,608
MOORE	198	19	144	45	406	245	14	71	18	348	754
MORGAN	1,149	87	903	184	2,322	1,192	65	501	106	1,864	4,186
OBION	1,785	119	1,604	298	3,805	1,898	70	600	106	2,674	6,479
OVERTON	1,137	91	940	264	2,432	1,247	74	541	137	1,999	4,431
PERRY	501	41	372	81	994	512	32	228	44	815	1,809
PICKETT	223	14	203	94	534	282	6	124	39	451	985
POLK	871	65	783	141	1,859	927	55	406	73	1,461	3,320
PUTNAM	3,709	336	3,113	748	7,906	3,841	198	1,646	316	6,001	13,907
RHEA	2,263	135	1,770	327	4,495	2,275	124	856	126	3,380	7,875
ROANE	2,307	181	2,298	530	5,315	2,622	115	1,267	209	4,213	9,528
ROBERTSON	3,333	190	2,226	363	6,112	3,509	123	848	156	4,636	10,748
RUTHERFORD	11,398	838	7,805	982	21,023	11,777	508	2,749	391	15,425	36,448
SCOTT	1,760	130	1,665	387	3,941	1,821	100	934	191	3,046	6,987
SEQUATCHIE	935	69	773	149	1,926	950	52	415	54	1,471	3,397
SEVIER	4,583	292	3,052	452	8,378	4,942	167	1,235	155	6,500	14,878
SHELBY	67,976	5,420	54,190	6,565	134,152	69,535	3,907	16,148	2,499	92,090	226,241
SMITH	995	81	847	163	2,086	999	45	410	62	1,516	3,602
STEWART	645	59	609	113	1,426	697	35	296	56	1,084	2,510
SULLIVAN	7,010	521	6,688	1,302	15,521	7,427	386	3,348	577	11,738	27,260
SUMNER	6,628	454	5,305	783	13,171	7,058	333	2,025	308	9,724	22,895
TIPTON	3,363	289	2,630	361	6,643	3,522	209	939	146	4,816	11,459
TROUSDALE	476	36	379	86	978	447	35	178	40	700	1,678
UNICOI	871	55	781	261	1,967	976	40	357	117	1,490	3,458
UNION	1,292	82	905	165	2,444	1,264	64	532	82	1,941	4,385
VAN BUREN	285	17	256	62	620	317	17	159	45	538	1,158
WARREN	2,526	190	2,059	427	5,202	2,629	133	1,009	179	3,949	9,151
WASHINGTON	4,892	392	4,780	964	11,028	5,087	284	2,251	403	8,026	19,054
WAYNE	722	59	647	180	1,609	776	47	328	77	1,228	2,837
WEAKLEY	1,666	210	1,527	319	3,722	1,738	125	738	108	2,709	6,430
WHITE	1,569	119	1,305	310	3,302	1,626	95	741	116	2,577	5,880
WILLIAMSON	2,555	141	1,677	334	4,707	2,678	101	629	140	3,547	8,254
WILSON	4,156	288	3,360	482	8,286	4,352	195	1,328	177	6,052	14,338
Grand Total	335,211	25,028	276,603	46,352	683,195	349,158	17,565	115,421	19,647	501,791	1,184,986

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision Date, as published in Rule 68-11-1609(c):

July 23, 2014

Assuming the CON decision becomes the final Agency action on that date, indicate the number of days from the above agency decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Architectural & engineering contract signed	7	July 2014
2. Construction documents approved by TDH		August 2014
3. Construction contract signed		August 2014
4. Building permit secured		September 2014
5. Site preparation completed		NA
6. Building construction commenced (renovation)		September 2014
7. Construction 40% complete		October 2014
8. Construction 80% complete		November 2014
9. Construction 100% complete		Dec 2015
10. * Issuance of license		Dec 2015
11. *Initiation of service		Jan 2015
12. Final architectural certification of payment		March 2015
13. Final Project Report Form (HF0055)		May 2015

*** For projects that do NOT involve construction or renovation: please complete items 10-11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.

John H Wellborn
SIGNATURE/TITLE

Sworn to and subscribed before me this 14th day of May (Month), 2014 (Year) a Notary Public in and for the County/State of Davidson / Tennessee

J. M. L
NOTARY PUBLIC

My commission expires November 5 (Month/Day), 2014 (Year).

JAN M. DANFORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires November 5, 2014

COPY
SUPPLEMENTAL-1

BHG Jackson Treatment center

CN1405-014

DSG Development Support Group

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

May 22, 2014

Phillip M. Earhart, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application #1405-014
BHG Jackson Treatment Center

Dear Mr. Earhart:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. Applicant Profile, Item 6
a. The lease in Exhibit A is noted. However, Exhibit A (floor plan) includes two attached rooms and a restroom not included in the premises. Also, it appears there is access to the proposed site through a doorway from those areas. Please clarify.

The floor plan for the project submitted in Attachment B.I.4 shows that there is no access to the project space on that side; and it shows the entire premises after renovation. The lease exhibit is a preliminary drawing used only in lease negotiation to illustrate what was not to be included on that floor.

b. Please clarify why the applicant chose to sign a lease effective since February 2014, rather than signing an option to lease until the Agency decision in August 2014.

BHG has found that many lessors are reluctant to sign options. It is more acceptable to them, and more efficient for BHG, to fully negotiate and sign a conditional lease such as this one. It provides advance compensation to the landlord for tying up the property during a long State review process, just as an option would; the lease is cancellable should CON approval not be granted; and once CON approval is granted, the applicant can begin the project without further delay.

2. Section B., Project Description, Item I
a. What is the average time a patient is on-site to receive a daily methadone dose from the beginning to the end.

4219 Hillsboro Road, Suite 203
Nashville, TN 37215
jwdsg@comcast.net
Tel 615.665.2022
Fax 615.665.2042

Patients coming only for daily dosing will be in and out of the clinic in an average of fifteen minutes. Counseling can add a half hour. The clinic estimates a range of fifteen to forty-five minutes. The overall average might be twenty to twenty-five minutes. Time studies are not conducted.

b. What are the hours of the security officer in relation to the applicant's business hours?

The security officer is currently on the premises from the time the doors open (5 am weekdays; 6 am weekends) to the time dosing is concluded (11 AM weekdays; 9 am weekends). BHG is going to phase out the employment of a full-time security officer, which this clinic was unaware of, when the application was filed (see page 9 of the original application). BHG's corporate management feels that scientific evidence has shown that addiction is a disease that requires structured treatment utilizing methods and resources that correlate to evidence-based medicine. Signaling to patients that they are "not to be trusted" by employing on-site security sends a message that is in direct conflict with that concept. In addition, as owner-operators of 37 treatment centers, BHG reports having had little to no experience with patient violence or theft at any treatment center. BHG's current view is that security monitoring should be done with clinic employees, because 3rd party, unarmed security personnel may become disengaged and unreliable.

3. Section B., Project Description, Item II.A
a. It appears there is an attached car radio shop consisting of 4,815 square feet of space. Please describe the business, and if possible, the following:
- **The number of employees**
- **The average customers per day**
- **Please indicate if the car radio shop is supportive of the adjoining proposed project.**

The landlord/lessor owns both the building and the auto/boat radio shop that is the other tenant--so yes, that business is supportive, and is comfortable that neither parking nor security issues will be of concern. The applicant must assume that the landlord's customers and employees will be comfortable with the arrangement; CON applicants are not able to inquire into employee attitudes and customer traffic at neighboring businesses.

b. Please clarify if having a retail business adjoining the proposed site is the optimal arrangement for a non-residential substitution-based treatment center for opiate addiction clinic, and why did the applicant not choose to identify a new site that was more private and freestanding?

Optimal is difficult to define. It is good to stay close to the current location if possible so patients have little adjustment to make in their daily commuting schedules. The clinic currently operates in a retail environment with other businesses, so this change of location will increase the clinic's privacy.

c. Please describe the availability, inventory and cost of possible commercial sites within 10 minutes of the existing methadone clinic.

There were very few available options within a short drive of the current location. The realtor searched the market area for several weeks. Three sites were identifed that met BHG requirements for proximity to the current convenient site, ease of roadway access, adequacy of parking, privacy, cost, and compatibility with nearby uses. This proved to be the best choice.

d. Please describe any soundproofing that will be installed for confidentiality.

The contractor will install counseling room hard-walls that extend from floor to ceiling, so no soundproofing is necessary or planned. Should licensure rules later require more, the clinic can comply with a retrofit.

e. Please provide the land uses in all directions in relation to the proposed site that is noted to be submitted under separate cover.

The land use inventory is attached after this page.

f. What are the ages of the existing non-residential substitution-based treatment center for opiate addiction building and the proposed clinic site?

The proposed building was constructed in 1976, but was renovated in 1986 and its effective date on the tax records is 1986, 28 years ago. It is in excellent condition. The building currently occupied by this clinic was constructed in 1979, about 35 years ago, and has not had a renovation.

4. Section B., Project Description, Item III.A.

As required for all projects, a Plot Plan must provide the size of the site (in acres), location of the structure on the site, the location of the proposed construction, and the names of streets, roads, highways that cross or border the site. Please provide a new Plot Plan with all the required information.

A plot plan is attached after this page. The only bordering street is the four-lane street in front of the building.

5. Section C, Need, Item 4.A.

Your response in Table Six is noted. However, please clarify the following two areas of the table:
a. In regards to Median Age-2010 US Census, please clarify how the median age for the proposed service area is at 32, is lower than each of the eight counties (36.2-43.5) in the service area and the State of Tennessee (38).
b. Please clarify why the persons below poverty Level as % of population of 15.9% for the proposed service area is lower than each individual county (16.9%-23.5%) in the service area and the State of Tennessee (17.3%).

Attached after this page is a corrected Table Six, page 43R. The two errors occurred when converting a ten-county master spreadsheet form to this eight-county project; the denominator in the averaging formula for those two cells was not changed from ten to eight.

6. Section B., Project Description, Item III.B.1

Please describe the city streets patients will need to travel from the interstate. Are the streets in a residential neighborhood? Will the streets be able to accommodate additional traffic?

The street, Carriage Hill Drive, is a major four-lane street. Most of this project's traffic will occur between 5 AM and 9AM and it should not be a problem. There are no residential neighborhoods in close proximity to the site. Please see the list of land uses attached above, in response to your question 3e.

7. Section C, Need, Item 6

Please clarify why the average daily census will remain unchanged from 2014 to 2016. When does the applicant expect utilization to increase from current levels?

As the historic utilization table shows, census has remained fairly level from year to year and has not increased for some time. So there is no historical trend that would support projections of increased census.

8. Section C, Economic Feasibility, Item 1 (Project Costs Chart)

There referenced Architect's letter in Attachment C, Economic Feasibility-1 is not included in the application. Please provide the referenced attachment that includes the following:

- **a general description of the project,**
- **his/her estimate of the cost to construct the project to provide a physical environment, according to applicable federal, state and local construction codes, standards, specifications, and requirements and**
- **attesting that the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the new 2010 AIA Guidelines for Design and Construction of Hospital and Health Care Facilities, if applicable.**

The letter is attached following this page. The architect states that the 2006 dates on these citations and the NC code citation are in fact what the City of Jackson has in place; and of course he is contractually obligated to build to State or Federal licensure standards including applicable AIA Guidelines. He provides architectural services to BHG in multiple States and cities.

9. Section C, Economic Feasibility, Item 4 Historical Data Chart and Projected Data Chart

a. Please clarify the reason there is no data in the Historical data chart for 2011.

The applicant LLC was acquired by BHG in late November 2011 from an unaffiliated owner. The first full calendar year financial reporting period under BHG's ownership occurred in 2012. BHG has no access to financial data for 2011, which would be needed to complete that column on the Historical Data Chart.

b. Please clarify the reason there are no management fees listed on either the Historical or Projected Data Chart.

BHG does not have "management" agreements with non-affiliates. Where it incurs third-party expenses such as legal fees or IT service-related fees, those expense items are captured in the "Other Expenses" category (D.9.). BHG has a corporate office that supports its clinics with centralized services (Finance & Accounting, Compliance, Human Resources & Training, Business Development, Information Technology, & Operations), but those personnel expenses are not allocated to the treatment center level. Those expenses are detailed in the attached BHG corporate Financial Audit for the year-ended 2013.

c. In 2013 there was $140.00 spent on training on the Historical Data Chart. Please clarify how training expense is allocated. Also, please clarify why training increases to $2,000 in Year One and Year Two in the Projected Data Chart from current levels.

BHG maintains a fully accredited Training Department within its corporate office. The training department is responsible for working with internal and external subject matter experts to develop and execute monthly, quarterly, and annual training for existing and new BHG team members. This training is delivered via a Learning Management System (LMS) / training specific information technology platform. The expenses for the training department personnel are captured at the corporate level. The expenses for the LMS system are allocated pro rata to each treatment center based on employee headcount. These expenses are captured within the "Other Expenses (Specify)" category (D.9.) within Section D – Operating Expenses.

The projected training expense was increased in the future years #1 and #2 because BHG plans to supplement internal training by sending key leaders (Executive Directors, Program Directors, and Physicians) to external training such as the regional American Society of Addiction Medicine Conferences (ASAM).

d. Security expense is listed as $1,380 in Year One and In Year Two in the Projected Data Chart. Please clarify if this amount is adequate in hiring a security officer.

The Security expense listed in the projections was for the security alarm monitoring expense. BHG invests in the latest security alarm system technology at all of its treatment centers. Those one-time investments are capitalized. The ongoing monitoring costs, which include maintenance as part of the contract, are not particularly expensive – typically $65-$100 per month for a "supervised" IP based alarm system (for the perimeter, medication room, and medication room safe) that includes cellular and battery backups.

e. The physician salaries and wages are listed as $56,373 on the Historical Data Chart in 2012, increasing to $104,000 in Year One of the project without an increase in patients. Please clarify.

Two factors account for that increase. First, BHG used to employ a Nurse Practitioner who provided Physician Extender coverage at the treatment center. Her historical wage expense is captured in the "Salaries and Wages" line (D.1.) within the Operating Expenses section. Second, BHG is increasing physician coverage hours at each of its treatment centers based on a 2014 objective to increase treatment team engagement and patient stability. By increasing the number of coverage hours and, by extension, the compensation of our physicians, BHG will realize higher levels of physician engagement and participation in treatment center operations. A more engaged and available physician will improve patient and employee experience, improve care coordination within the community (due to increased physician participation on this dimension), and lead to better patient outcomes.

10. Section C, Economic Feasibility, Item 6.A.
a. The routine weekly charges on page 59 are noted. However, please clarify the reason the subutex monthly fee of $175.00, as listed in the fee schedule on page 60, is lower than the routine weekly charge of $98.00.

The routine weekly fee is the fee for services related to methadone replacement therapy and includes unlimited access to assigned counselors, physician office visits, daily medication preparation, administration, and dispensation, and random drug testing.

The subutex monthly fee is the fee for services related to subutex replacement therapy and includes unlimited access to assigned counselors, physician office visits, and random drug testing. Medication is not included in this fee – primarily because the cost of the subutex medication is significantly greater. Subutex medication is charged various rates based on the number of milligrams prescribed/ordered for each patient.

b. Please provide a brief overview of the jail/hospital dosing services.

This is a standard option provided in BHG fee schedules, but one that is rarely used. If a patient is hospitalized or confined to jail, BHG clinic staff take the dosing to the patient so that daily medication needs will be met without interruption. BHG Jackson does not currently have any patients in that status, nor has it had since BHG assumed control of the operation.

10. Section C, Economic Feasibility, Item 10.

a. Please provide a copy of the latest balance sheet and income statement for the applicant as well as the most recent audited financial statements with accompanying notes, if available.

Please see the applicant's balance sheet and income statement documentation at the end of this letter. BHG does not conduct audits at the clinic level. See 10b below.

b. If the proposed program's development will be funded by the applicant's parent company, please provide a copy of the parent company's audited financial statements for the most recently completed period for which the balance sheet and income statements are available.

Please see the parent company's audit letter and income statement and balance sheet, attached at the end of this letter.

11. Section C, Orderly Development, Item 7
a. Joint Commission accreditation is noted. Please provide a copy of the latest survey and documentation of accreditation.

Please see the Joint Commission certificate and survey information at the end of this letter.

b. Please provide documentation from TDMHSAS that the November 4th 2013 corrective action plan as a result of the October 24, 2013 TDMHSAS annual inspection was accepted.

TDMHSAS acceptance/compliance documentation follows this page.

13. Support Letters

Please provide any letters of support from the community, government, judicial and law enforcement, physical and behavioral health care providers, and residents near the proposed facility.

No support letters have yet been requested. If they are received they will be provided to HSDA staff promptly, later in the review process.

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

STATE OF TENNESSEE
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES
West Tennessee Regional Office of Licensure
951 Court Avenue
MEMPHIS, TENNESSEE 38103

BILL HASLAM
GOVERNOR

E. DOUGLAS VARNEY
COMMISSIONER

COMPLIANCE EVENT STATUS REPORT

LICENSEE:	Licensee ID: 1440	FACILITY:	Site ID: 3249
VCPHCS XIX, LLC 8300 Douglas Avenue Suite 750 Dallas, TX 75225		BHG Jackson Treatment Center 1869 Highway 45 Bypass, Suite 5 Jackson, TN 38305	

NOTICE TO LICENSEE: A review has been completed of your recently submitted plan of compliance. The approval status given your plan is indicated below. Read the approval status given below carefully. This approval status form and your plan of compliance should become part of your records.

COMPLIANCE EVENT & DATE: SOTA Inspection 10/24/13 Site ID:3249 Event ID:717

Sandra Randle

Sandy Randle, West Tennessee Licensure

POC Approved
Your plan of compliance has been accepted. You are expected to meet the terms of your plan. Re-inspection may be conducted to verify compliance. With re-inspection, you will incur a $50 re-inspection fee.

With the exception of any deficiencies listed herein;
Detailed Program Requirments for DEEMED Chapter(s) considered compliant per accreditation by:
Joint Commission on Accreditation of Health Care Organizations (JCAHO)

14. Proof Of Publication

Please submit a copy of the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.

A scanned version is attached at the end of the letter. The original was mailed to the applicant and can be delivered to HSDA under separate cover when it arrives, if an original is required.

15. Notification Requirements

Please note that Tennessee Code Annotated 68-11-1607(c)(3) states that "...Within ten (10) days of filing an application for a non-residential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the member of the House of Representatives and the Senator of the General Assembly representing the district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a non-residential substitution-based treatment center for opiate addiction has been filed with the agency by the applicant."

Please provide documentation that these notification requirements have been met.

The documentation is attached at the end of this response.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please FAX or telephone me so that we can respond in time to be deemed complete.

Respectfully,

John Wellborn
Consultant

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

VCPHCS XIX, LLC
Jackson Professional Associates
Jackson, TN

has been Accredited by

The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the

Behavioral Health Opioid Treatment Accreditation Program

September 13, 2012

Accreditation is customarily valid for up to 36 months.

David A. Whiston, D.D.S.
Chairman of the Board

Organization ID #: 522008
Print/Reprint Date: 09/27/12

Mark Chassin, M.D.
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.

The Joint Commission

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

VCPHCS XIX, LLC
1869 Highway 45 Bypass
Jackson, TN 38305

Organization Identification Number: 522008

Program(s)	**Survey Date(s)**
Behavioral Health Care Accreditation	07/18/2012-07/19/2012

Executive Summary

As a result of the survey conducted on the above date(s), the following survey findings have been identified. Your official report will be posted to your organization's confidential extranet site. It will contain specific follow-up instructions regarding your survey findings.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

DIRECT Impact Standards:

Program:	Behavioral Health Care Accreditation Program	
Standards:	RC.02.01.01	EP2

INDIRECT Impact Standards:

Program:	Behavioral Health Care Accreditation Program	
Standards:	HR.02.01.03	EP23
	LD.04.01.07	EP1
	MM.04.01.01	EP5

Chapter: Human Resources

Program: Behavioral Health Care Accreditation

Standard: HR.02.01.03

Standard Text: The organization assigns initial, renewed, or revised clinical responsibilities to staff who are permitted by law and the organization to practice independently.

Primary Priority Focus Area: Credentialed Practitioners

Element(s) of Performance:

23. The governing body approves, in writing, clinical responsibilities. 

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

EP 23
Observed in Competency Session at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site.
The assignment of clinical responsibilities has not been completed for one of two LIP's who provide medical care in this organization

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Chapter: Leadership

Program: Behavioral Health Care Accreditation

Standard: LD.04.01.07

Standard Text: The organization has policies and procedures that guide and support care, treatment, or services.

Primary Priority Focus Area: Organizational Structure

Element(s) of Performance:

1. Leaders review and approve policies and procedures that guide and support care, treatment, or services. 

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

EP 1
Observed in Document Review at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site.
The policies and procedures specific to Temporary Transfers (or guest dosing) did not address the interim procedures to be implemented when a person requesting immediate admission to this clinic begins treatment at an affiliated clinic and then guest doses at this clinic until the day they can be scheduled to this clinic for admission to this clinic.

Observed in Document Review at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site.
The admission and scope of assessment policy or policies did not clearly address the criteria for either reviewing an revising an assessment or initiating a new assessment when a patient was initially admitted to an affiliated clinic and then transferred to this clinic within a short time.

Chapter: Medication Management

Program: Behavioral Health Care Accreditation

Standard: MM.04.01.01

Standard Text: Medication orders are clear and accurate.
Note: This standard is applicable only to organizations that prescribe medications. The elements of performance in this standard do not apply to prescriptions written by a prescriber who is not affiliated with the organization.

Primary Priority Focus Area: Medication Management

Element(s) of Performance:

5. For organizations that prescribe medications: The organization has a written policy that defines actions to take when medication orders are incomplete, illegible, or unclear.

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

EP 5
Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site.
The documentation in one clinical record indicated that the patient was guest dosed at this clinic the day before the order was faxed to the clinic.

Chapter: Record of Care, Treatment, and Services

Program: Behavioral Health Care Accreditation

Standard: RC.02.01.01

Standard Text: The clinical/case record contains information that reflects the care, treatment, or services provided to the individual served.

Primary Priority Focus Area: Assessment and Care/Services

Element(s) of Performance:

2. The clinical/case record of the individual served contains the following clinical information:
- The reason(s) for admission for care, treatment, or services
- The initial diagnosis, diagnostic impression(s), or condition(s)
- Any findings of assessments and reassessments
- Any allergies to food
- Any allergies to medications
- Any conclusions or impressions drawn from the medical history and physical examination
- Any diagnoses or conditions established during the course of care, treatment, or services
- Any consultation reports
- Any observations relevant to care, treatment, or services
- The response to care, treatment, or services
- Any emergency care, treatment, or services provided prior to arrival
- Any progress notes
- Any medications ordered or prescribed
- Any medications administered, including the strength, dose, and route
- Any access site for medication, administration devices used, and rate of administration (for intravenous therapy)
- Any adverse drug reactions
- Treatment goals, plan of care, and revisions to the plan of care, treatment, or services
- Orders for diagnostic and therapeutic tests and procedures and their results

Scoring Category : C
Score : Insufficient Compliance

Observation(s):

EP 2
Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site.
'The treatment plan in one clinical record addressed the patient's history of depression. The clinical record did not provide information in the assessments about the patient's history of depression. The assessment queried whether the patient had received previous mental health treatment and the patient responded "yes." There was no further information documentation about the mental health treatment or about the current depression addressed in the treatment plan.

Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site.
The documentation in a second patient's clinical record indicated that the patient began treatment the previous day (6/24/2012) at an affiliated methadone clinic and was guest dosed the second day at this methadone clinic. The documentation required for guest dosing was faxed to this organization (order, physical evaluation) on 6/26/2012 and the patient was dosed at this clinic on 6/25/2012. This clinic did not receive documentation related to the patient's response to the first dose of methadone and this clinic did not document their observation of the patients second dose of methadone. The patient was admitted to this clinic on 6/26/2012.

Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site.
The information in four clinical records reviewed contained "dates of enrollment" that were different from the date the physician admitted this patient to this clinic. Interviews with staff indicated that the "date of enrollment" was the date of the first communication with the person. The clinical record did not contain information about any interactions, communications or pre-screenings that transpired with the persons prior to the date that the person got admitted to the organization.

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

VCPHCS XIX, LLC

Organization ID: 522008

1869 Highway 45 Bypass

Jackson, TN 38305

Accreditation Activity - 45-day Evidence of Standards Compliance Form

Due Date: 9/2/2012

BHC Standard RC.02.01.01 The clinical/case record contains information that reflects the care, treatment, or services provided to the individual served.

Findings: EP 2 Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. 'The treatment plan in one clinical record addressed the patient's history of depression. The clinical record did not provide information in the assessments about the patient's history of depression. The assessment queried whether the patient had received previous mental health treatment and the patient responded "yes." There was no further information documentation about the mental health treatment or about the current depression addressed in the treatment plan. Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The documentation in a second patient's clinical record indicated that the patient began treatment the previous day (6/24/2012) at an affiliated methadone clinic and was guest dosed the second day at this methadone clinic. The documentation required for guest dosing was faxed to this organization (order, physical evaluation) on 6/26/2012 and the patient was dosed at this clinic on 6/25/2012. This clinic did not receive documentation related to the patient's response to the first dose of methadone and this clinic did not document their observation of the patients second dose of methadone. The patient was admitted to this clinic on 6/26/2012. Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The information in four clinical records reviewed contained "dates of enrollment" that were different from the date the physician admitted this patient to this clinic. Interviews with staff indicated that the "date of enrollment" was the date of the first communication with the person. The clinical record did not contain information about any interactions, communications or pre-screenings that transpired with the persons prior to the date that the person got admitted to the organization.

Elements of Performance:

2. The clinical/case record of the individual served contains the following clinical information: - The reason(s) for admission for care, treatment, or services - The initial diagnosis, diagnostic impression(s), or condition(s) - Any findings of assessments and reassessments - Any allergies to food - Any allergies to medications - Any conclusions or impressions drawn from the medical history and physical examination - Any diagnoses or conditions established during the course of care, treatment, or services - Any consultation reports - Any observations relevant to care, treatment, or services - The response to care,

treatment, or services - Any emergency care, treatment, or services provided prior to arrival - Any progress notes - Any medications ordered or prescribed - Any medications administered, including the strength, dose, and route - Any access site for medication, administration devices used, and rate of administration (for intravenous therapy) - Any adverse drug reactions - Treatment goals, plan of care, and revisions to the plan of care, treatment, or services - Orders for diagnostic and therapeutic tests and procedures and their results

Scoring Category: C

Corrective Action Taken:

WHO:

The staff responsible for the corrective action and ongoing compliance are Barbara Doty (Program Director), Richard Jones, LADAC (Clinical Supervisor), Carolyn Thomas, LPN (Nursing Supervisor)and Ruszella Murphy (Administrative Support). Mrs. Doty, Mr. Jones and Mrs. Thomas conducted a training regarding treatment plans, treatment plan worksheets, bio psychosocial assessments and medical assessments. Mrs. Murphy conducted a training regarding the Inquiry Program versus the effective enrollment date into MMT. These trainings included form instruction training on the BHG extranet sight.

WHAT:

Mrs. Doty and Mr. Jones conducted a formal training on treatment plans, treatment plan worksheets, clinical assessments and bio psychosocial assessments. Mrs. Thomas conducted a medical training regarding nursing assessments, guest dose/permanent transfer paperwork and appropriate medical documentation regarding initial contact with patients. Mrs. Murphy conducted a formal training on the initial contact with patients (Inquiry Program) versus the effective date of a patient being enrolled in MMT. A formal training roster has been completed for all staff, with signatures for verification of the training.

WHEN:

The trainings were conducted on the following dates: 1. Treatment Plans, treatment plan worksheet, bio psychosocial assessments and forms instructions training was conducted on August 29, 2012. 2. The medical assessment, guest dose/permanent transfer paperwork, forms instructions along with appropriate medical documentation on initial contact was conducted on August 29, 2012. 3. The Inquiry Program training versus the effective date for enrollment into the MMT was conducted on July 23, 2012.

HOW:

It is BHG's current policy to complete a chart audit inspection of one third of the census each month in order to complete the entire census within the quarter. This chart or "peer review" inspection would include treatment plans, treatment plan worksheets, bio psychosocial, medical and enrollment dates for MMT program versus Inquiry Program.

Evaluation Method: Barbara Doty (Program Director), Richard Jones, LADAC, Carolyn Thomas, LPN and Ruszella Murphy will be the persons responsible for ensuring and assessing that the corrective action plan is being completed. They will audit a random sampling of 50 cases each month for a four month track record, auditing for treatment plans, treatment plan worksheets, bio psychosocial assessments, medical documentation regarding guest dose/permanent transfer and initial patient contact versus when a patient enrolls in MMT. The goal is to be 100% compliant.

Measure of Success Goal (%): 100

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

VCPHCS XIX, LLC

Organization ID: 522008

1869 Highway 45 Bypass

Jackson, TN 38305

Accreditation Activity - 60-day Evidence of Standards Compliance Form

Due Date: 9/17/2012

BHC Standard HR.02.01.03 The organization assigns initial, renewed, or revised clinical responsibilities to staff who are permitted by law and the organization to practice independently.

Findings: EP 23 Observed in Competency Session at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The assignment of clinical responsibilities has not been completed for one of two LIP's who provide medical care in this organization

Elements of Performance:

23. The governing body approves, in writing, clinical responsibilities.

Scoring Category: A

Corrective Action Taken:

WHO:

Director of Human Resources ,Nancy Peek completed the NPDB on 9/6/12 for Dr.Moragne. Stacey Harris, Director of Compliance/QA completed the Clinical Assignment of Responsibilities and will be responsible for the ongoing compliance.

WHAT:

Director of Human Resources, Nancy Peek completed the NPDB 9/6/12 for Dr.Moragne. LIP packet was completed by Dr. Moragne on 9/5/12. Stacey Harris, Director of Compliance/QA completed the assignment of Clinical Responsibilities on 9/6/12 regarding Dr. Moragne.

WHEN:

The LIP application was completed on 9/5/12 by Dr. Moragne. Nancy Peek completed the NPDB on 9/6/12 Stacey R. Harris completed the Assignment of clinical Responsibilities on 9/6/12.

HOW:

The process for hiring LIP's was in place at time of survey. No changes were made to the process. The clinic failed to follow the current policies and procedures. The Director of Compliance will monitor quarterly for ongoing compliance with the LIP applications utilizing the HR audit tool.

BHC Standard LD.04.01.07 The organization has policies and procedures that guide and support care, treatment, or services.

Findings: EP 1 Observed in Document Review at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The policies and procedures specific to Temporary Transfers (or guest dosing) did not address the interim procedures to be implemented when a person requesting immediate admission to this clinic begins treatment at an affiliated clinic and then guest doses at this clinic until the day they can be scheduled to this clinic for admission to this clinic. Observed in Document Review at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The admission and scope of assessment policy or policies did not clearly address the criteria for either reviewing an revising an assessment or initiating a new assessment when a patient was initially admitted to an affiliated clinic and then transferred to this clinic within a short time.

Elements of Performance:

1. Leaders review and approve policies and procedures that guide and support care, treatment, or services.

Scoring Category: A

Corrective Action Taken:

WHO:

Stacey R. Harris, Director of Compliance/QA and Tina Beckley, Clinical Quality Manager were responsible for developing the Policy and Procedures regarding transfer, guest dosing, admission requirements, physician orders and assessment review for "BHG" patients or non "BHG" patients. Dr. Kelly Clark, CMO and James Draudt, COO approved the Policy and Procedures. Barbara Doty, Program Director is responsible for conducting the P&P training and ongoing compliance.

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

WHAT:

The element of performance was addressed by writing a Policy and Procedure regarding transfers, guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012.

WHEN:

The dates for the P&P and trainings are as follows: 1. Policy and Procedure completed and approved on 9/6/2012 2. New P&P training to Barbara Doty on 9/12/2012 3. Barbara Doty conducted P&P training to the staff on 9/13/2012

HOW:

The element of performance was addressed by writing a Policy and Procedure regarding transfers,guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012. The medical and clinical staff were required to participate in the Policy and Procedure training along with a formal completion of a staff roster for verification of the training. The process for sustaining compliance has been addressed in the audit tool. It is our current policy that 1/3 of the census is audited per month with the entire census completed each quarter. Barbara Doty is responsible for the corrective action plan and ongoing compliance.

BHC Standard MM.04.01.01 Medication orders are clear and accurate. Note: This standard is applicable only to organizations that prescribe medications. The elements of performance in this standard do not apply to prescriptions written by a prescriber who is not affiliated with the organization.

Findings: EP 5 Observed in Individual Tracer at VCPHCS XIX, LLC (1869 Highway 45 Bypass, Jackson, TN) site. The documentation in one clinical record indicated that the patient was guest dosed at this clinic the day before the order was faxed to the clinic.

Elements of Performance:

5. For organizations that prescribe medications: The organization has a written policy that defines actions to take when medication orders are incomplete, illegible, or unclear.

Scoring Category: A

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

Corrective Action Taken:

WHO:

Stacey R. Harris, Director of Compliance/QA and Tina Beckley, Clinical Quality Manager were responsible for developing the Policy and Procedures regarding transfer, guest dosing, admission requirements, physician orders and assessment review for "BHG" patients or non "BHG" patients. Dr. Kelly Clark, CMO and James Draudt, COO approved the Policy and Procedures. Barbara Doty, Program Director is responsible for conducting the P&P training and ongoing compliance.

WHAT:

The element of performance was addressed by writing a Policy and Procedure regarding transfers, guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012.

WHEN:

The dates for the P&P and trainings are as follows: 1. Policy and Procedure completed and approved on 9/6/2012 2. New P&P training to Barbara Doty on 9/12/2012 3. Barbara Doty conducted P&P training to the clinical and medical staff on 9/13/2012

HOW:

The element of performance was addressed by writing a Policy and Procedure regarding transfers, guest dosing, admission requirements, physician orders and assessment reviews for "BHG" patients or non "BHG" patients. The Policy and Procedure was approved on 9/6/2012 by Dr. Kelly Clark and James Draudt. Stacey Harris and Tina Beckley trained on the new Policy and Procedures and Barbara Doty conducted the training at the clinic level on 9/13/2012. The medical and clinical staff were required to participate in the Policy and Procedure training along with a formal completion of a staff roster for verification of the training. The process for sustaining compliance has been addressed in the audit tool. It is our current policy that 1/3 of the census is audited per month with the entire census completed each quarter. Barbara Doty is the person responsible for the corrective action plan and ongoing compliance.

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

0101736728

Affidavit of Publications

Newspaper: Jackson Sun 7 Day

TEAR SHEET ATTACHED

State Of Tennessee

Account Number: 302879JS

Advertiser: JACKSON PROFESSIONAL ASSOC

RE:

I, J Perry **Sales Assistant** for the above mentioned newspaper, hereby certify that the attached advertisement appeared in said newspaper on the following dates:

5/10/2014 J Perry

_____

_____

_____2014

Subscribed and sworn to me this 22 day of May.

Lela Bates

NOTARY PUBLIC

LELA BATES
STATE OF TENNESSEE
NOTARY PUBLIC
DAVIDSON COUNTY
MY COMMISSION EXPIRES

4099 Public Notices

0101736728

NOTIFICATION OF INTENT
TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Section 68-11-1607 et seq., and the Rules of the Health Services and Development Agency, that the BHS Jackson Treatment Center (an adult non-residential substitution-based treatment center for opiate addiction formerly named "Jackson Professional Associates") , owned and managed by MJPHCS XIX, LLC (a limited liability company), intends to file an application for a Certificate of Need to relocate from its current site at 1999 Highway 45 Bypass, Suite 5, Jackson, TN 38305, to 58 Carriage House Drive, Suites A & B, Jackson, TN 38305 (a distance of 1.5 miles), at a project cost estimated at $1,300,000.

The facility is licensed by the Tennessee Department of Mental Health and Substance Abuse Services as an Alcohol & Drug Non-Residential Opiate Treatment Facility. It will be used exclusively to provide a comprehensive adult outpatient treatment program for opioid addiction--with testing, monitoring, counseling, medication (including methadone and suboxone) , and related services required for State licensure and for Federal certification by the U.S. Department of Health and Human Services.

The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before May 15, 2014. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2922.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

4099 Public Notices

NOTICE

Public Notice is hereby given that an Ordinance will be introduced before the City Council of the City of Jackson on May 20 & June 3, 2014, the purpose of which is to appropriate the proceeds of the tax levy for the fiscal year 7/1/2014 through 6/30/2015. The Ordinance in its entirety is on file in the Recorder's Office at City Hall and may be examined during normal working hours. A public hearing will be held at the meeting of the City Council at 9:00 a.m. on May 20 & June 3, 2014 in the George A. Smith Meeting Room at City Hall.

The anticipated receipts herein appropriated shall be designed as follows:

GENERAL FUND	FY14 Budget	FY 14 Amended Budget	FY15 Budget	$ VAR	% VAR
REVENUES	64,115,337.81	65,362,580.85	62,668,662.68	(3,243,918.41)	-4.96%
Less EXPENSES					
ADMINISTRATION	5,852,092.72	6,115,927.88	4,805,731.25	(1,309,896.63)	-21.40%
GENERAL GOVT.	8,547,900.51	7,780,346.81	7,395,871.29	(384,475.52)	-5.01%
POLICE	18,882,271.74	19,016,364.77	18,971,715.99	(48,648.78)	-0.24%
POLICE GRANTS	592,843.13	755,141.82	512,210.20	(282,931.42)	-36.58%
FIRE	12,608,840.56	13,033,550.25	12,444,136.71	(589,413.54)	-4.52%
FIRE GRANTS	0.00	0.00	0.00	0.00	0.00%
OTHER PUBLIC SAFETY	1,340,657.24	1,387,474.99	1,448,140.68	60,665.69	4.37%
PUBLIC WORKS	8,566,891.65	8,793,584.48	8,727,638.47	(65,946.01)	-0.75%
RECREATION	3,480,063.80	3,480,798.24	3,430,335.56	(50,462.68)	-1.74%
PUBLIC BLDGS	3,891,029.77	3,786,773.52	3,656,523.90	(130,249.62)	-3.67%
TOTAL	63,572,361.12	64,808,908.56	61,583,391.75	(3,223,606.81)	-4.36%

OTHER FUNDS EXPENSE	FY 14 Budget	FY 14 Amended Budget	FY 15 Budget	$ VAR	% VAR
SPORTSPLEX	2,837,500.00	2,837,500.00	3,048,725.00	211,225.00	7.44%
COMMUNITY DEVELOPMENT	1,295,441.00	1,295,441.00	1,339,152.00	44,411.00	3.43%
HEALTH & SANITATION	12,998,399.00	12,998,399.00	12,704,668.15	(293,730.85)	-2.26%
POLICE DRUG FUND	33,500.00	33,500.00	96,940.00	53,440.00	159.52%
METRO DRUG FUND	327,000.00	327,000.00	418,810.00	91,810.00	28.08%
DEBT SERVICE FUND	22,314,105.00	22,314,105.00	15,235,127.00	(7,078,978.00)	-31.72%
CAPITAL OUTLAY	16,074,771.50	17,260,537.50	12,705,527.00	(4,555,010.50)	-26.39%
LANDFILL	65,000.00	65,000.00	65,000.00	0.00	0.00%
CRA	226,226.00	226,226.00	0.00	(226,226.00)	-100.00%

Tax Rate remains:
Sinking Fund $ .4066
General Fund $1.5644
Total $1.9700

Al Lattson, City Recorder

4230 Merchandise Wanted

stuff

Ask us to buy your stuff!

HERE'S THE LIST

I buy old stuff & old bottles Wanted old stuff ! I buy old military items from Civil war - WW2, old bottles like soda pop, milk , fruit jars Medicine bottles etc . Also old tools, old signs old paper items postcards etc. I will clean out and buy a shed or building full of old stuff. Give me a call with what you have Sam it for cash ! Call (731)608-0543

4155 Collectibles

STRAIGHT RAZER
VINTAGE COLLECTION
Serious Inquiries only
731-426-9214

4175 Exercise Equipment

TREADMILL
Weslo Cadence G5.9, only used 7 hours, electric, space saver, $275 obo
731-427-4355

4195 Good Things to Eat

TURNIP & MUSTARD GREENS U - PICK $6.00 bu
PICK $15.00 bu
Call (731)217-4951 or (731)989-5368

4220 Lawn/Garden

SWEETLIS GREENHOUSES
3745 Sweetlis Rd. Hendersonville, TN. 731-989-7946
sweetlisgreenhouse.com
WE CLOSE DURING SEVERE WEATHER

wood burning bee traps
Wood burning bee traps in 3 styles 15 and 20 dollars
Call (731)358-8469 jbwake@live.com

4240 Merchandise Wanted

Diabetic Test Strips Wanted
in sealed box; must not be expired.
Call or text 731-535-2857, 866-204-1161
or www.onlinediabeticstrips.com

4250 Moving Sale Items

HAMMOCK $35 w/ stand. Outdoor Lounging Chair, White Metal Daybed. 2 nice lamps with matching chairs; TV Armoire with 4 drawers; 2 leaf Leather Recliner; Wrought Iron table with 4 matching chairs. 731-668-4771

Join the conversation.

The Jackson Sun

misc...

Enjoy the things you love

4035 Adoption

ADOPTION ~ At-Home Mom & Successful NYC Businessman, married 8yrs, Beach House and Ski Chalet. Expenses paid. ~ 1-866-847-3942 ~ Kim & Todd

4050 Lost

DOG small dusty brown Chihuahua male, answers to "Sam", wandering a pink collar, lost in Brown Acres. Please contact Elizabeth at 731-394-6488

Pet Corner

4315 Dogs

CHIHUAHUA, 1 CKC pretty tan male, shots and dewormed. Health guaranteed. $200. 731-427-8151

English Bulldog AKC $1,500, 3 males/ 2 females, LOOK. Parents on site. Call (731)426-5118 or (731)267-3029

If you've got it, we can sell it in The Jackson Sun Classified Marketplace

4415 Dogs

GERMAN SHEPHERD AKC reg. puppies, champion bloodlines, 6 wks old, 1 male $500, 1 female $575. Call 662-643-3080 or 662-643-9158

GERMAN SHEPHERD AKC PUPPIES, Black, sable, black/silver, exc pedigree, vet check, wormed, shots, 662-213-4668

Golden Retrievers AKC $250-$300. First Shots and Wormed. Males and a Female Available Call (731)479-8062

HOLLYWOOD PUPPIES
Angel Hypoallergenic Fur-A-Paws, Silver Backwoods, Multi-Tech, Energy Starters, Silk Paws, Silk Tails, Whiskers
The fun, cool place
731-660-1886

4415 Dogs

LABRADOR RETRIEVER PUPS Black & chocolate AKC, shots & dewormed. $350. Call 731-554-5237 or 901-569-6453

POODLE, beautiful snow white CKC toy male puppy. Health guaranteed, shots, dewormed. $350. 731-447-4151

RAT TERRIER
Pups, 6 wks, 1st shot, wormed, $50 each.
731-610-2378

SHELTIE 2 AKC reg. females puppies, born 4/5, beautiful sable merle $650, shaded sable $500. Shots, wormed. Ready/to go/moved. 731-215-7612

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THE JACKSON SUN'S
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On The Farm

4145 Farm Equipment

TRACTOR KING BRAND, 70 hp diesel, power steering, live PTO, 3 stage clutch, 2821 hrs, $22500. 731-642-7154

4155 Livestock/Poultry

7 BLACK ANGUS CATTLE FOR SALE SELLING OUT
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Business & Service DIRECTORY

Advertise your business for under $3.00 per day.
For more information, please call 731.423.0300.

Personal Services

3715 Child Care

JUNIOR KIDDIE KOLLEGE
We offer quality child care 24/7 days a wk. Full/Part time rates + Tutoring for grades 3-5. Accepting applications 6wks-12yrs. We offer art, music & Spanish taught by Cidalia. Open House on the 16th, everybody welcome to come. Walk-ins welcome.
More info @ 731-423-5424

Time for career change? Post your resume at jacksonsun.com

3727 Estate Sales Services

Keepsake Estate Sales
Estate, Liquidation, Moving, Downsizing, & Clean-out Sales
Our sales company is professional, experience, licensed, & insured
731-307-9494
We Love what we do and it shows in our work.
www.KeepsakeSales.com

Home Improvement

1890 Excavating

BOB HOWELL FARMS EXCAVATING • Demo
Ponds, Lakes, Clearing Building Pads, Topsoil, Grading, Septic Tank Installation, Demo, Backhoe, Track-hoe, Grader & Dirt Work. Experience
731-225-5098

CHRIS WALKER DOZER & TRACKHOE SERVICE
Any kind of dirt construction, demolition, barns, pole sheds, driveways, ponds & ponds PLUS: hauling rock, gravel, mowing & other debris.
731-267-0286

DON'T SWEAT THE SMALL JOBS! PHILLIPS
Loader, Excavator, Dozer Clearing, Driveways, Demo Ponds, Culverts, Pipes, Leveling, Stumps, Raymond Phillips D/O
FREE ESTIMATES
731-660-1048 or 317-0733

FREDDIE McGEE Dozer & Trackhoe SERVICE
and Construction, Demolition, Demo Work, Driveways, Lakes, Ponds, Trees & Tree Removal, Stump Grinding, Gravel Hauling & More
Call 731-267-4256

1909 Handyman

OUTSIDE/INSIDE Handyman Service
Painting, Pressure Washing, Decks, Wood Leveling, Tile, Rotten Wood Repair & Replacement, Plumbing, Electrical, Remodeling & Home Upkeep
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1910 Home Improvement

A BUYER OF TIMBER
Hardwood & Pine
10 ac./min.
Jeff Drake Logging
Insured, References
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1910 Home Improvement

30 Years Experience
COMPLETE HOME MAINTENANCE
HEAT AND AIR
• Remodeling
• Electrical
• Plumbing
• Decks • Fences
• Patios
• Shortwork
• Vinyl Siding
• Concrete
• Mobile Home Repairs
No Job Too Small
Free Est./Ests/Ests
Call Gene Thomas
731-394-4700

Dennis O'Dell Contractor
REMODELING
INTERIOR/
EXTERIOR
ROOFING/
ROOF REPAIRS
SMALL JOBS WELCOME
22 Yrs. Experience
Call Dennis
731-225-6442
Jackson, TN

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SERVING ALL WEST TENNESSEE
10% discount for Disabled Citizens
We level floors, settle cracks, windows & vinyl siding, insurance claims welcome. Over 30 yrs. exp. LIC. & Ins. General Contractor
BILLY RAMEY
Call 731-423-5354
731-431-4296

United Construction and Restoration
Custom Decks to Seals and Replaces to Cedar and more...
Serving Jackson Area for 25+ yrs
10% OFF All Services
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1911 Home Repairs

QUICK FIX HOME REPAIR
*Painting *Carpentry
*Electrical &
*Plumbing Repairs
*Licensed & Insured.
Barry Folgham
Bus. # 731-660-0023

1922 Lawn Care/Landscaping/Tilling

COMPLETE LAWN CARE
• Mowing • Trimming
• Edging • Blowing
• Small Shrub & Tree Service • Gutter Cleaning • Power Washing
CROSSROADS LAWN CARE
Credit Cards Accepted. 15% Military Discount
731-616-1368

PRO MOW
Lic and Ins 614.58
1 ac or less
Mow, Trim Under, Edge Sidewalk, Weed Control, Mulch, Lawn Vac, Mulch
Spring Clean-up, Pressure Wash, Leaf & Yard Haul Anything.
731-424-8639
or 731-967-2334

TOP PRICES FOR YOUR TIMBER
Hardwood and/or Pine, Quality work, Insurance coverage & references avail.
Wade Norris
Logging
731-694-3586

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1930 Hauling/Trucking

BUY JUNK CARS & REMOVE
all appliances, farm equipment and metal building material
FREE OF CHARGE
731-925-5363

I BUY YOUR JUNK
Handyman Hauls
Junk Cars, Metal
$150 & Up
Call Will
731-402-0079

1951 Portable Storage Buildings

Concrete Storm Shelters
Underground, Hillside & Above-Ground Shelters
Available, Starting At $2,495 Installed
Call 731-424-1114 or 888-527-7700

STEEL SAFE ROOMS
4'x5'x6'6" $2,294.25
Other sizes avail.
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Stephenson Tree Service
FREE ESTIMATES
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JUST EXCAVATING
We Remove It!
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Credit Cards accepted.
We Finance 731-415-1045 or 1-440-CUT-TREE
www.cuttree.com

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Buyer of Standing Timber Operates Small Equipment That Leaves Light Footprints.
Call David Mann
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3715 Child Care

JUNIOR KIDDIE KOLLEGE
We offer quality child care
24/7 days a wk.
Full/Part time rates + Tutoring for grades 3-5.
Accepting applications 6wks-12yrs.
We offer art, music & Spanish taught by Cidalia.
Open House on the 16th,
everybody welcome to come. Walk-ins welcome.
More info @
731-423-5424

BHG Behavioral Health Group
8300 Douglas Avenue, Suite 750
Dallas, TX 75225

May 20, 2014

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

The Honorable Lowe Finney
Senator, State of Tennessee
312 East Lafayette Street
Jackson, TN 38301

RE: Proposed Relocation of Adult Non-Residential Substitution-Based Treatment Center for Opiate Addiction

Dear Senator Finney:

Please be advised that VCPHCS XIX, LLC d/b/a BHG Jackson Treatment Center has filed an application with the Tennessee Health Services and Development Agency to relocate from its current site at 1869 U.S. 45 Bypass, Suite 5, Jackson, Tennessee 38305, to 58 Carriage House Drive, Suites A & B, Jackson, Tennessee 38305 (a distance of 1.5 miles), at a cost estimated at $1,300,000.

Opioid Treatment Programs (OTPs) give persons struggling with opioid drug addiction (e.g., OxyContin, hydrocodone) the best chance at long term recovery, as the OTP treatment model specifically addresses both the neurochemical and psychological aspects of the disease. This dual-pronged approach is accomplished on an outpatient basis through physician-supervised medication assisted treatment (i.e., methadone replacement therapy) and intensive behavioral treatment (i.e., individual and group counseling), and it is complemented by access to social services and other support systems for patients. OTPs have been found by the Tennessee Department of Mental Health and relevant federal agencies to be tremendous resources for persons struggling to overcome opioid addiction and also for their families and communities.

This notice is provided pursuant to Tenn. Code Ann. § 68-11-1607(c)(3).

Please contact Richard Lodge at 615-742-6254 should you desire further information.

Sincerely,

VCPHCS XIX, LLC d/b/a
BHG Jackson Treatment Center

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

7011 3500 0001 0064 0930

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Total Postage & Fees	$

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MAY 20 2014
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Sent To: Senator Howe Finney
Street, Apt. No.; or PO Box No.: 312 East Lafayette St.
City, State, ZIP+4: Jackson, TN 38301

PS Form 3800, August 2006 — See Reverse for Instructions

Reid back at BBS
5-23-14

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1. Article Addressed to:
Senator Howe Finney
312 East Lafayette St.
Jackson, TN 38301

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Geneece Longford ☐ Agent ☑ Addressee

B. Received by (Printed Name) Geneece Longford
C. Date of Delivery 5-21-14

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
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☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Transfer from service label)* 7011 3500 0001 0064 0930

PS Form 3811, February 2004 — Domestic Return Receipt — 102595-02-M-1540

SUPPLEMENTAL

BHG Behavioral Health Group

8300 Douglas Avenue, Suite 750
Dallas, TX 75225

May 20, 2014

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

The Honorable Johnny Shaw
Representative, State of Tennessee
P. O. Box 191
123 West Market Street
Bolivar, TN 38008

RE: Proposed Relocation of Adult Non-Residential Substitution-Based Treatment Center for Opiate Addiction

Dear Representative Shaw:

Please be advised that VCPHCS XIX, LLC d/b/a BHG Jackson Treatment Center has filed an application with the Tennessee Health Services and Development Agency to relocate from its current site at 1869 U.S. 45 Bypass, Suite 5, Jackson, Tennessee 38305, to 58 Carriage House Drive, Suites A & B, Jackson, Tennessee 38305 (a distance of 1.5 miles), at a cost estimated at $1,300,000.

Opioid Treatment Programs (OTPs) give persons struggling with opioid drug addiction (e.g., OxyContin, hydrocodone) the best chance at long term recovery, as the OTP treatment model specifically addresses both the neurochemical and psychological aspects of the disease. This dual-pronged approach is accomplished on an outpatient basis through physician-supervised medication assisted treatment (i.e., methadone replacement therapy) and intensive behavioral treatment (i.e., individual and group counseling), and it is complemented by access to social services and other support systems for patients. OTPs have been found by the Tennessee Department of Mental Health and relevant federal agencies to be tremendous resources for persons struggling to overcome opioid addiction and also for their families and communities.

This notice is provided pursuant to Tenn. Code Ann. § 68-11-1607(c)(3).

Please contact Richard Lodge at 615-742-6254 should you desire further information.

Sincerely,

VCPHCS XIX, LLC d/b/a
BHG Jackson Treatment Center

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

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Total Postage & Fees	$

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Sent To: Rep. Johnny Shaw
Street, Apt. No.; or PO Box No.: P.O. Box 191
City, State, ZIP+4: Bolivar, TN 38008

PS Form 3800, August 2006 — See Reverse for Instructions

Red lock at BBS 5-23-14

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Rep. Johnny Shaw
P.O. Box 199
123 W. Market Street
Bolivar, TN 38008

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name): Dewayne Dickus?
C. Date of Delivery:

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
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☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label): 7011 3500 0001 0064 0947

PS Form 3811, February 2004 — Domestic Return Receipt — 102595-02-M-1540

BHG Behavioral Health Group
8300 Douglas Avenue, Suite 1040
Dallas, TX 75225

May 20, 2014

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

The Honorable Jerry Gist
Mayor, Jackson, Tennessee
121 East Main Street, Suite 301
Jackson, TN 38301

RE: Proposed Relocation of Adult Non-Residential Substitution-Based Treatment Center for Opiate Addiction

Dear Mayor Gist:

Please be advised that VCPHCS XIX, LLC d/b/a BHG Jackson Treatment Center has filed an application with the Tennessee Health Services and Development Agency to relocate from its current site at 1869 U.S. 45 Bypass, Suite 5, Jackson, Tennessee 38305, to 58 Carriage House Drive, Suites A & B, Jackson, Tennessee 38305 (a distance of 1.5 miles), at a cost estimated at $1,300,000.

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This notice is provided pursuant to Tenn. Code Ann. § 68-11-1607(c)(3).

Please contact Richard Lodge at 615-742-6254 should you desire further information.

Sincerely,

VCPHCS XIX, LLC d/b/a
BHG Jackson Treatment Center

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

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Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees $

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MAY 20 2014
Postmark Here
37219

Sent To: The Hon. Jerry Gist, Mayor - Jackson
Street, Apt. No.; or PO Box No.: 121 East Main Street Suite #301
City, State, ZIP+4: Jackson, TN 38301

PS Form 3800, August 2006 — See Reverse for Instructions

Reid back at BBS, 5-23-14

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1. Article Addressed to:

The Hon. Jerry Gist,
Mayor, City of Jackson
121 East Main Street
Suite 301
Jackson, TN 38301

COMPLETE THIS SECTION ON DELIVERY

A. Signature
x Betty Lynn Moore ☒ Agent ☐ Addressee

B. Received by (Printed Name): Betty Lynn Moore
C. Date of Delivery: 5-21-14

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 3500 0001 0064 0954

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

BHG Behavioral Health Group
8300 Douglas Avenue, Suite 1040
Dallas, TX 75225

May 20, 2014

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

The Honorable Jimmy Harris
County Mayor, Madison County
100 E. Main Street, Suite 302
Jackson, TN 38301

RE: Proposed Relocation of Adult Non-Residential Substitution-Based Treatment Center for Opiate Addiction

Dear Mayor Harris:

Please be advised that VCPHCS XIX, LLC d/b/a BHG Jackson Treatment Center has filed an application with the Tennessee Health Services and Development Agency to relocate from its current site at 1869 U.S. 45 Bypass, Suite 5, Jackson, Tennessee 38305, to 58 Carriage House Drive, Suites A & B, Jackson, Tennessee 38305 (a distance of 1.5 miles), at a cost estimated at $1,300,000.

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This notice is provided pursuant to Tenn. Code Ann. § 68-11-1607(c)(3).

Please contact Richard Lodge at 615-742-6254 should you desire further information.

Sincerely,

VCPHCS XIX, LLC d/b/a
BHG Jackson Treatment Center

13120027.1

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

MAY 20 2014
Postmark Here
USPS - [illegible]

Sent To: Jimmy Harris, County Mayor, Madison
Street, Apt. No.; or PO Box No.: 100 E. Main St. #302
City, State, ZIP+4: Jackson, TN 38301

PS Form 3800, August 2006 — See Reverse for Instructions

Reid Hackat BBS, 5-23-14

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
The Hon Jimmy Harris
County Mayor, Madison Co.
100 East Main Street
Suite 302
Jackson, TN 38301

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Regetta Nelson ☐ Agent ☐ Addressee

B. Received by (Printed Name) | C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Transfer from service label)* 7011 3500 0001 0064 0961

PS Form 3811, February 2004 — Domestic Return Receipt — 102595-02-M-1540

SUPPLEMENTAL- # 1
May 27, 2014
10:40am

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: BHG Treatment Center - Jackson

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

John H Wellborn
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 22nd day of May, 2014, witness my hand at office in the County of Davidson, State of Tennessee.

NOTARY PUBLIC

My commission expires November 5, 2014.

JAN M. DANFORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires November 5, 2014

HF-0043

Revised 7/02

SUPPLEMENTAL - #2
-COPY-

BHG JACKSON TREATMENT CENTER

CN1405-014

SUPPLEMENTAL #2
May 29, 2014
3:11 pm

DSG Development Support Group

May 29, 2014

Phillip M. Earhart, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application #1405-014
BHG Jackson Treatment Center

Dear Mr. Earhart:

This letter responds to the second supplemental request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. Section C, Economic Feasibility, Item 1 (Project Costs Chart)

The provided Architect's letter is noted. However, the referenced provider's name in the letter is "ADC Recovery and Counseling Center", not BHG Jackson Treatment Center. Please clarify.

A corrected letter from the architect is attached after this page. A clerical error occurred in the architect's office.

4219 Hillsboro Road, Suite 203
Nashville, TN 37215
jwdsg@comcast.net
Tel 615.665.2022
Fax 615.665.2042

SUPPLEMENTAL #2
May 29, 2014
3:11 pm

2. Section C, Economic Feasibility, Item 10.

The latest balance sheet and income statement for the applicant is noted. If the proposed program's development will be funded by the applicant's parent company, please provide clarification to the following:

The following responses in quotations have been forwarded by Mr. James Draudt, COO of Behavioral Health Group.

a. Please clarify how BHG Holdings, LLC will adequately fund the proposed project with total current assets as of December 31, 2013 of $2,690,238, and total current liabilities of $3,895,005, equaling a current ratio of .69 to 1; and VCPHCS LP Consolidated with total current assets as of April 30, 2014 of $2,426,634, and total current liabilities of $3,141,071, equaling a current ratio of .77 to 1.

"BHG Holdings, LLC, the parent, can adequately fund the Jackson, TN relocation project. The lower Current Ratio reflects calendar year 2013 discretionary cash expenditures for a number of other treatment center upgrades within the BHG network, as well as two acquisitions that generate positive operating cash flows. Specifically, we relocated and upgraded eleven (11) treatment centers out of the 35 treatment centers in our network in 2013. These were proactive decisions to use cash to upgrade our treatment centers, infrastructure, and staff. As part of that effort, we incurred double rents and one-time expenditures that reduced cash and generated GAAP reported losses. In addition, we made the discretionary decision to retire a small portion of our senior credit facility in 2013 ($385,000) knowing that the business' ability to generate predictable operating cash flows will fund ongoing operations and investments (see below). In addition, BHG Holdings has excess capacity on our credit line (existing additional revolver capacity = $4.1M) and has the ability to call dedicated equity (greater than $2,000,000) to fund projects as needed."

b. The BHG Holdings, LLC Net Loss of $2,292,379 in 2013 and Net Loss of $1,920,746 in 2012 is noted. What is the operating profit forecast of BHG Holdings, Inc. for the remainder of 2014?

"BHG Holdings is projecting generating Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) of $13,081,000 and net operating cash flows greater than $4,086,000 in calendar year 2014."

c. Please clarify the reason interest expense in the amount of $5,096,414 is 69% of clinic operating expenses of $7,372,956 in 2013.

"Interest expense incurred reflects the amortization of mezzanine and senior debt interest payments in accordance with our credit agreement. These payments are easily made while also funding ongoing operations and investments."

SUPPLEMENTAL #2
May 29, 2014
3:11 pm

Publication of Notice

In the responses to the first supplemental questions, the applicant submitted a copy of the affidavit of publication, pending receipt of the original by mail. Attached after this letter is the original affidavit of publication.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please FAX or telephone me so that we can respond in time to be deemed complete.

Respectfully,

John Wellborn

John Wellborn
Consultant

SUPPLEMENTAL #2

0101736728

190
Affidavit of Publications

May 29, 2014
3:11 pm

Newspaper: Jackson Sun 7 Day

State Of Tennessee

TEAR SHEET
ATTACHED

Account Number: 302879JS

Advertiser: JACKSON PROFESSIONAL ASSOC

RE:

I, J Perry **Sales Assistant** for the above mentioned newspaper, hereby certify that the attached advertisement appeared in said newspaper on the following dates:

5/10/2014 J Perry

_____

_____

_____2014

Subscribed and sworn to me this 22 day of May,

Lela Bates

NOTARY PUBLIC

LELA BATES
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
MY COMMISSION EXPIRES 6/6/15

SUPPLEMENTAL #2

May 29, 2014

3:11 pm

4099 Public Notices

01013173725

NOTIFICATION OF INTENT
TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that the BHG Jackson Treatment Center (an adult non-residential substance-based treatment center for opiate addiction formerly named "Jackson Professional Associates"), owned and managed by MCPHCS XIX, LLC (a limited liability company), intends to file an application for a Certificate of Need to relocate from its current site at 1999 Highway 45 Bypass, Suite 5, Jackson, TN 38305, to 58 Carriage House Drive, Suites A & B, Jackson, TN 38305 (a distance of 1.5 miles), at a project cost estimated at $1,300,000.

The facility is licensed by the Tennessee Department of Mental Health and Substance Abuse Services as an Alcohol & Drug Non-Residential Opiate Treatment Facility. It will be used exclusively to provide a comprehensive adult outpatient treatment program for opioid addiction--with testing, monitoring, counseling, medication (including methadone and suboxone), and related services required for State licensure and for Federal certification by the U.S. Department of Health and Human Services.

The project does not contain major medical equipment or obstetric or discontinue any other health service, and it will not affect any facility's licensed bed complements. The anticipated date of filing the application is on or before May 15, 2014. The contact person for the project is John Wallbom, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215, (615) 665-2022.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

4099 Public Notices

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stuff

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4250 Moving Sale Items

DINETTE SET, oak claw foot, 6 chairs, $375; WINDOW AIR CONDITIONER, 6,500 btu, QT, $75; INFRARED HEATER, 5ft, LG KEROSENE HEATER, never used, $75; COMPUTER DESK & CHAIR, $15; PRINTER, HP, $25; DESK TOP PHONE/SPEAKERPHONE, $35. 678-936-4859.

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4099 Public Notices

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NOTICE

Public Notice is hereby given that an Ordinance will be introduced before the City Council of the City of Jackson on May 20 & June 3, 2014, the purpose of which is to appropriate the proceeds of the tax levy for the fiscal year 7/1/2014 through 6/30/2015. The Ordinance in its entirety is on file in the Recorder's Office at City Hall and may be examined during normal working hours. A public hearing will be held at the meeting of the City Council at 9:00 a.m. on May 20 & June 3, 2014 in the George A. Smith Meeting Room at City Hall.

The anticipated receipts herein appropriated shall be designed as follows:

GENERAL FUND	FY14 Budget	FY 14 Amended Budget	FY15 Budget	$ VAR	% VAR
REVENUES	64,115,357.61	65,352,582.06	62,108,662.60	(3,243,919.45)	-4.96%
Less EXPENSES					
ADMINISTRATION	5,852,082.72	8,115,627.88	4,808,731.05	(1,306,896.83)	-21.40%
GENERAL GOVT.	8,547,200.61	7,940,240.61	7,305,871.29	(280,475.52)	-5.01%
POLICE	18,882,271.74	19,818,564.77	19,521,715.99	(40,648.78)	-0.24%
POLICE GRANTS	592,843.13	795,141.82	512,210.20	(282,931.62)	-35.58%
FIRE	12,608,840.56	13,033,590.25	12,444,136.71	(589,453.54)	-4.52%
FIRE GRANTS	0.00	0.00	0.00	0.00	0.00%
OTHER PUBLIC SAFETY	1,340,657.24	1,387,474.99	1,448,140.88	60,665.89	4.37%
PUBLIC WORKS	8,596,691.85	8,793,584.48	8,727,536.47	(65,948.01)	-0.75%
RECREATION	3,470,050.80	3,480,798.24	3,420,335.26	(60,462.98)	-1.74%
PUBLIC BLDGS	3,891,029.77	3,795,779.52	3,656,520.90	(139,255.62)	-3.67%
TOTAL	63,532,261.12	66,800,908.56	61,963,331.75	(2,823,808.81)	-4.26%

OTHER FUNDS EXPENSE	FY 14 Budget	FY 14 Amended Budget	FY 15 Budget	$ VAR	% VAR
SPORTSPLEX	2,837,300.00	2,837,500.00	3,048,725.00	211,225.00	7.44%
COMMUNITY DEVELOPMENT	1,295,441.00	1,295,441.00	1,339,852.00	44,411.00	3.43%
HEALTH & SANITATION	12,998,399.00	12,998,399.00	12,704,658.15	(293,730.85)	-2.26%
POLICE DRUG FUND	33,500.00	33,500.00	86,940.00	53,440.00	159.52%
METRO DRUG FUND	327,000.00	327,000.00	418,810.00	91,810.00	28.08%
DEBT SERVICE FUND	22,314,105.00	22,314,105.00	15,276,127.00	(7,037,978.00)	-31.72%
CAPITAL OUTLAY	16,974,771.50	17,260,537.50	12,705,527.00	(4,555,010.50)	-26.39%
LANDFILL	65,000.00	65,000.00	65,000.00	0.00	0.00%
CNA	226,226.00	226,226.00	0.00	(226,226.00)	-100.00%

Tax Rate remains:

Sinking Fund	$ .4056
General Fund	$1.5644
Total	$1.9700

Al Latfoon, City Recorder

4240 Moving Sale Items

HAMMOCK G/U w/ stand; Outdoor Lounging Chair; White Metal Daybed; 2 mini Desks with matching chairs; TV Armoire with 4 drawers; 2 seat Leather Recliner; Wrought Iron Table with 4 matching chairs. 731-668-4511

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1715 Child Care

1715 Child Care

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Accepting applications 6wks-12yrs.
We offer art, music & Spanish taught by Cldalia.
Open House on the 16th,
everybody welcome to come. Walk-ins welcome.
More info @ 731-423-5424

SUPPLEMENTAL #2
May 29, 2014
3:11 pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: KHG Jackson Recovery Center

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

John T. Wellborn
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 29th (JMD) day of May, 2014, witness my hand at office in the County of Davidson, State of Tennessee.

Jan M. Danforth
NOTARY PUBLIC

My commission expires November 5, 2014.

JAN M. DANFORTH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY
My Commission Expires November 5, 2014

HF-0043

Revised 7/02

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Jackson Sun, which is a newspaper of general circulation in Madison County, Tennessee, on or before May 10, 2014, for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that the BHG Jackson Treatment Center (an adult non-residential substitution-based treatment center for opiate addiction formerly named "Jackson Professional Associates"), owned and managed by VCPHCS XIX, LLC (a limited liability company), intends to file an application for a Certificate of Need to relocate from its current site at 1869 Highway 45 Bypass, Suite 5, Jackson, TN 38305, to 58 Carriage House Drive, Suites A & B, Jackson, TN 38305 (a distance of 1.5 miles), at a project cost estimated at $1,300,000.

The facility is licensed by the Tennessee Department of Mental Health and Substance Abuse Services as an Alcohol & Drug Non-Residential Opiate Treatment Facility. It will be used exclusively to provide a comprehensive adult outpatient treatment program for opioid addiction--with testing, monitoring, counseling, medication (including methadone and suboxone) , and related services required for State licensure and for Federal certification by the U.S. Department of Health and Human Services.

The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements. The anticipated date of filing the application is on or before May 15, 2014. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

John L Wellborn 5-8-14 jwdsg@comcast.net

(Signature) (Date) (E-mail Address)

STATE OF TENNESSEE
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES
ANDREW JACKSON BUILDING, 6TH FLOOR
500 DEADERICK STREET
NASHVILLE, TENNESSEE 37243

BILL HASLAM
GOVERNOR

E. DOUGLAS VARNEY
COMMISSIONER

MEMORANDUM

TO: Melanie Hill, Executive Director
Health Services and Development Agency

FROM: Sandra Braber-Grove
Director, Office of Contracts and Privacy / Assistant General Counsel

DATE: August 14, 2014

RE: Review and Analysis of Certificate of Need Application
CN1405-014 BHG Jackson Treatment Center

Pursuant to and in accordance with Tennessee Code Annotated (TCA) § 68-11-1608 and Rules of the Health Services and Development Agency including the Criteria and Standards for Certificate of Need (2000 Edition, Tennessee's Health Guidelines for Growth, prepared by the Health Planning Commission) [hereinafter Guidelines for Growth], staff of the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS), the licensing agency, have reviewed and analyzed the above-referenced application for a Certificate of Need.

Attached is the TDMHSAS report. At a minimum and as noted in TCA § 68-11-1608, the report provides:

(1) Verification of application-submitted information;

(2) Documentation or source for data;

(3) A review of the applicant's participation or non-participation in Tennessee's Medicaid program, TennCare or its successor;

(4) Analyses of the impact of a proposed project on the utilization of existing providers and the financial consequences to existing providers from any loss of utilization that would result from the proposed project;

(5) Specific determinations as to whether a proposed project is consistent with the state health plan; and

(6) Further studies and inquiries necessary to evaluate the application pursuant to the rules of the agency.

If there are any questions, please contact TDMHSAS at (615) 532-6520.

cc: E. Douglas Varney, Commissioner, TDMHSAS
Marie Williams, Deputy Commissioner, TDMHSAS
Dr. Jason Carter, Pharm. D., TDMHSAS, Chief Pharmacist and State Opioid Treatment Authority (SOTA)

REVIEW AND ANALYSIS
CERTIFICATE OF NEED APPLICATION
CN1405-014

Pursuant to and in accordance with Tennessee Code Annotated (TCA) § 68-11-1608 and Rules of the Health Services and Development Agency including the Criteria and Standards for Certificate of Need (2000 Edition, Tennessee's Health Guidelines for Growth, prepared by the Health Planning Commission) [hereinafter Guidelines for Growth], staff of the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS), the licensing agency, have reviewed and analyzed the application for a Certificate of Need submitted by Mr. John L. Wellborn, Consultant (Development Support Group) on behalf of VCPHCS XIX, LLC whose only member and parent company is VCPHCS, LP, which does business as Behavioral Health Group (BHG) for the relocation (change of location; site change) of the BHG Jackson Treatment Center, an existing, established, appropriately licensed "Alcohol and Drug Non-Residential Substitution-Based Treatment Center for Opiate Addiction"; "Opioid Treatment Program" (OTP); or "methadone clinic") from its present location at 1869 Highway 45 Bypass (just South of I-40 in Jackson, Tennessee at Exit 82) to the proposed new location of 58 Carriage House Drive, Suites A and B, also in Jackson, Tennessee, a distance of approximately 1.5 miles from the current location (approximately a five (5)-minute drive).

The Applicant reports that it has been in the current location since 1994. The Applicant reports that the current building is a "relatively old building" located on "one of Jackson's busiest highways." The Applicant also reports that the roof of the current building leaks into the clinic and the heating/ventilating/air conditioning (HVAC) system has recently malfunctioned. Therefore, relocating to a building that is in better condition would be beneficial to the clients and provide an improved environment. State (Department) licensure officials and the State Opioid Treatment Authority will ensure that the proposed new site meets all applicable laws, rules, and regulations for this type of program.

The report has three (3) parts:

A. Summary of Project
B. Conclusions
C. Analysis - in three (3) parts:

Need	**Economic Feasibility**	**Contribution to the Orderly Development of Health Care**
Evaluated by the following general factors: a. Relationship to any existing applicable plans; b. Population to be served; c. Existing or Certified Services or Institutions; d. Reasonableness of the service area; e. Special needs of the service area population (particularly women, racial and ethnic minorities, and low-income groups); f. Comparison of utilization/ occupancy trends and services offered by other area providers; g. Extent to which Medicare, Medicaid, and medically indigent patients will be served; and h. Additional factors specified in the Tennessee's Health Guidelines for Growth publication for this type of facility.	Evaluated by the following general factors: a. Whether adequate funds are available to complete the project; b. Reasonableness of costs; c. Anticipated revenue and the impact on existing patient charges; d. Participation in state/federal revenue programs; e. Alternatives considered; f. Availability of less costly or more effective alternative methods; and g. Additional factors specified in the Tennessee's Health Guidelines for Growth publication.	Evaluated by the following general factors: a. Relationship to the existing health care system (i.e., transfer agreements, contractual agreements for health services, and affiliation of the project with health professional schools); b. Positive or negative effects attributed to duplication or competition; c. Availability and accessibility of human resources required; d. Quality of the project in relation to applicable governmental or professional standards; and e. Additional factors specified in the Tennessee's Health Guidelines for Growth publication.

A. SUMMARY OF PROJECT

Mr. John L. Wellborn, Consultant (Development Support Group) has submitted, on behalf of VCPHCS XIX, LLC whose only member and parent company is VCPHCS, LP, which does business as Behavioral Health Group (BHG) (Applicant), an application for a Certificate of Need seeking the relocation (change of location; site change) of the BHG Jackson Treatment Center, an existing, established, appropriately licensed "Alcohol and Drug Non-Residential Substitution-Based Treatment Center for Opiate Addiction"; "Opioid Treatment Program" (OTP); or "methadone clinic") from its present location at 1869 Highway 45 Bypass (just South of I-40 in Jackson, Tennessee at Exit 82) to the proposed new location of 58 Carriage House Drive, Suites A and B, also in Jackson, Tennessee, a distance of approximately 1.5 miles from the current location (approximately a five (5)-minute drive).

On the Applicant Profile, for Type of Institution (Item 7.), the Applicant selected "Non-Residential Methadone Facility (Item 7.N.). The purpose of the review is "Change of Location" (Item 8.H.).

The Applicant reports that the current licensed facility, BHG Jackson Treatment Center, is owned by VCPHCS XIX, LLC whose only member and parent company is VCPHCS, LP, which does business as Behavioral Health Group (BHG). The Applicant further reports that BHG is Tennessee's largest provider of this type of service, owning ten (10) of Tennessee's twelve (12) clinic programs of this type. Of the ten (10) Tennessee clinics, two (2) are in Knoxville, three (3) are in Memphis, with the remainder located in Dyersburg, Nashville, Paris, Columbia, and Jackson.

The facility is, and will continue to be, licensed by the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS). The Applicant reports that its program serves adult patients eighteen (18) years of age and over who are addicted to, or dependent on, opioids such as heroin, OxyContin, Dilaudid, morphine, and hydrocodone. The Applicant further reports that the program of dispensing daily dosages of opioid substitutes such as methadone and suboxone suppresses patients' cravings for harmful opioids, allowing patients to lead normal lives, hold jobs, maintain family relationships, and live more safely. The Applicant reports that the program operates under rigorous controls that include mandatory drug testing, counseling, social services, and provides comprehensive behavior therapy and case management services to support each patient's recovery and stabilization.

The Applicant reports that the primary service area will continue to be the eight (8) counties surrounding Jackson: Chester, Crockett, Gibson, Henderson, Hardeman, Hardin, Madison, and McNairy. The Applicant also reports that approximately ninety-three percent (93%) of the clinic's patients resided in Tennessee (during Calendar Year (CY) 2013), with approximately forty-one percent (41%) of the patients being Madison County residents. The Applicant also reports that eleven percent (11%) of the clinic's patients come from twenty (20) other Tennessee counties and six (6) other states.

The Applicant reports that there is no major medical equipment involved in the project. Total project cost is estimated to be $1,274,050.00, with only $528,970.00 being actual capital cost and the remaining ($745,050) being the value of the leased space. The Applicant also reports that no additional staff will be required and no increases of utilization or changes in services are projected. If the application is approved, the Applicant expects the project's first full operational year at the proposed new site to be January through December of 2015 -- this is consistent with

information provided in the Projected Data Chart on Page 56 of the application; however, is inconsistent with the information provided on the Project Completion Forecast Chart on Page 73 of the application which indicates that the construction would be 100% complete by December 2015 with issuance of a license in that same month (December 2015) and the initiation of service to be January 2016.

B. CONCLUSIONS

As previously stated, if the application is approved, the facility would be licensed by the TDMHSAS. TDMHSAS staff have reviewed and analyzed the application and offer the following in support of approval of the application:

1. A note about specific criteria for a non-residential methadone treatment facility. In addition to the other general criteria, the application for a Certificate of Need for a non-residential methadone treatment facility should also address these and other specific criteria as listed in the Guidelines for Growth: 1) A non-residential methadone treatment facility should provide adequate medical, counseling, vocational, educational, mental health assessment, and social services to patients enrolled in the opioid treatment program with the goal of the individual becoming free of opioid dependency; 2) Need should be based on information prepared by the Applicant which acknowledges the importance of considering the demand for services along with need as well as addressing and analyzing service problems; 3) The need assessment should also cover the proposed service area and include the utilization of existing service providers, scope of services provided, patient origin, and patient mix; 4) The Applicant should show that the geographic service area is reasonable and based on an optimal balance between population density and service proximity and show that the project is sensitive and responsive to the special needs of the service area in terms of accessibility to consumers, particularly women, racial and ethnic minorities, and low-income groups; and 5) The Applicant should show the project's relationship to policy as formulated in local and national plans, including need methodologies.

2. A note about applications for change of site. The provisions in HSDA Rules 0720-11-.01(4)(a) through 0720-11-.01(4)(c) state that when the HSDA is considering a Certificate of Need (CON) application which is limited to a request for a change of site for a proposed new health care institution, the HSDA may consider, in addition to all other factors, the following factors: 1) Need: The Applicant should show that the proposed new site will serve the needs in the area to be served as least as well as the original site and that there is some significant legal, financial, or practical need to change to the proposed new site: 2) Economic Factors: The Applicant should show that the proposed new site would be at least as economically beneficial to the population to be served as the original site; and 3) Contribution to the Orderly Development of Health Care: The Applicant should address any potential delays that would be caused by the proposed change of site and show that any such delays are outweighed by the benefit that will be gained from the change of site by the population to be served.

3. There Continues to be a Need as described in further detail in Section C.1. The need criteria, satisfactorily met in the previously approved application for the Certificate of Need for the existing facility, continue to be met based on information reported by the Applicant showing that there will be no significant change to the existing, established, appropriately licensed program or to the

program's enrollment. The relocation will not result in any change to the service area of the existing, established, appropriately licensed program. The Applicant reports that the need to relocate to a building that is in better condition is necessary to "provide a higher quality physical environment for patients." The Applicant reports that the current facility, which was construction in 1979 and occupied by the Applicant since 1994, has a leaking roof and a malfunctioning HVAC system that the building lessor has not scheduled for repair, maintenance, or improvement. The Applicant reports that the Applicant and the building lessor have agreed that the Applicant may pursue moving to another location. The Applicant reports that the proposed site was chosen because of the building quality and its location within the same general area of Jackson as the current facility. The proposed space is in good condition and may need only simple renovation and modernization, so there should be no interruption of services for the time it takes for the relocation project to be completed. State (Department) licensure officials and the State Opioid Treatment Authority will ensure that the proposed new site meets all applicable laws, rules, and regulations for this type of program.

4. Economic Feasibility has been established as described in further detail in Section C.2. The cost of the proposed project appears to be reasonable and the project can be completed in a timely manner. The Applicant reports that there is sufficient funds on hand or available to implement the relocation project. The Applicant further reports the total project cost is estimated to be $1,274,050.00, with only $528,970.00 being actual capital cost and the remaining ($745,050) being the value of the leased space. In Supplemental #2, the Chief Operating Officer of BHG indicated that the parent, BHG Holdings, LLC, can adequately fund this relocation project and has excess capacity on its credit line ($4.1 million) and has the ability to call dedicated equity to fund projects as needed. The Applicant reports that the clinic currently has an established patient base and a positive cash flow and operating margin that will continue at the proposed new site. Overall, adequate funding appears to be available and the projected utilization and revenue reported by the Applicant should be sufficient to ensure the economic feasibility of the project.

5. The project does Contribute to the Orderly Development of Healthcare as described in further detail in Section C.3. The Applicant reports extensive experience in the operation of this type of program. The application under review is a "change of location" application to relocate the program to a newer building approximately one and one-half (1.5) miles from the current location. The Applicant is aware of Federal and State licensure requirements and will continue to comply with such requirements at the proposed new site. The Applicant reports that the relocation will provide an improved environment for its patients. The Applicant reports that the relocation should not have any adverse impact on utilization since the current facility is proposing to relocate only a short distance of approximately one and one-half (1.5) miles from its current location.

C. ANALYSIS

1. Need

As noted above, the need criteria, which were satisfactorily met in the previously approved application for the Certificate of Need for the existing facility, continue to be met based on information reported by the Applicant

showing that there will be no significant change to the existing, established, appropriately licensed program or to the program's enrollment.

The Applicant reports that all of the Applicant's programs meet and comply with State licensing standards. The Applicant reports that its program follows the TDMHSAS rules for qualifications and training of all staff and that the clinic is medically supervised by a Board-certified physician (Medical Director) who has extensive experience in opioid dependency, thereby satisfying the criteria of providing adequate medical, counseling, vocational, educational, mental health assessment, and social services to patients enrolled in the program. The Applicant further reports that the program provides continuous and intensive counseling, support services, and mental health assessments aimed at helping patients become free of opioid dependency as soon as possible, and to manage life successfully on methadone maintenance until that time.

The Applicant's program has been serving patients for approximately two (2) decades. This project will allow an established, existing, accredited, licensed program to continue operation at a nearby location. State (Department) licensure officials and the State Opioid Treatment Authority will ensure that the proposed new site meets all applicable laws, rules, and regulations for this type of program.

The Applicant reports that the new location is just as accessible as the current location, with municipal bus service at both the current site and the proposed site. The Applicant also reports that almost all patients use private vehicles.

2. Economic Feasibility

A review of the information supplied by the Applicant shows that there should be sufficient funds available for this project. The Applicant has been and currently is providing these services at the clinic's current location and has a lengthy history of providing these services, and understands the financial requirements of the proposed project.

This application under review is a "change of location" application. The proposed new site will continue to be owned by VCPHCS XIX, LLC, whose only member and parent company is VCPHCS, LP, which does business as Behavioral Health Group (BHG). The Applicant appears to be Tennessee's largest provider of this type of service and operates numerous similar facilities in other states. The information provided by the Applicant supports a reasonable expectation that the relocation of the existing clinic will not negatively impact its continuing economic viability.

3. Contribution to the Orderly Development of Health Care

The Applicant reports that it is familiar with all applicable Federal and State requirements related to the staffing and operation of this type of program and will continue to comply with all such requirements at the proposed new site. The current location is appropriately licensed by the TDMHSAS and the U.S. Drug Enforcement Administration (DEA). The Applicant reports that the current location operates under certification as an opioid treatment program by the U.S. Department of Health and Human Services' Substance Abuse

and Mental Health Services Administration's Center for Substance Abuse Treatment (CSAT). The Applicant further reports that all of BHG's Tennessee clinics are accredited by The Joint Commission or by the Commission on Accreditation of Rehabilitation Facilities (CARF). The Jackson facility is accredited by The Joint Commission. The proposed new site will have these same licenses, certifications, and accreditations. State (Department) licensure officials and the State Opioid Treatment Authority will ensure that the proposed new site meets all applicable laws, rules, and regulations for this type of program.

Insofar as this application is for a relocation of an existing, established, appropriately licensed clinic, with no reasonably anticipated negative impact upon the existing services offered by the Applicant's ongoing operations, it is expected that the orderly contribution to the development of healthcare being provided by the existing program will continue in the new location.

No significant change in staffing or resource utilization is reasonably anticipated as a result of the proposed relocation. There will also not be any changes to the service area. The Applicant reports that there will be no impact on patient charges for care.

The Applicant reports that this type of facility does not train healthcare professionals, so the Applicant does not participate in internships, residencies, and other such programs. The Applicant also reports that BHG, as a company, requires its staff to complete one to two (1-2) trainings per month through its own "BHG University" professional courses -- these trainings are in addition to compliance trainings pursuant to regulatory agencies.

The Applicant reports that it is currently licensed in good standing and holds a three-year Joint Commission accreditation in addition to being certified as an opioid treatment program by the Center for Substance Abuse Treatment (CSAT), a branch of the Substance Abuse and Mental Health Services Administration (SAMHSA) in the U.S. Department of Health and Human Services. The Applicant submitted a copy of its most recent licensure inspection and plan of correction in which any deficiencies had been addressed. The most recent accreditation inspection was also submitted. State (Department) licensure officials and the State Opioid Treatment Authority will ensure that the proposed new site meets all applicable laws, rules, and regulations for this type of program.

The Applicant reports that if the application is approved, the Applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated; the number and type of procedures performed; and other data as required consistent with Federal Health Insurance Portability and Accountability Act (HIPAA) requirements.

:sbg

State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

Date: August 18, 2014

To: HSDA Members

From: Melanie M. Hill, Executive Director

Re: Informational Bulletin: Medication Assisted Treatment for Substance Use Disorders

I have attached a July 11, 2014 Informational Bulletin regarding Medication Assisted Treatment for Substance Abuse Disorders. The bulletin was jointly issued by the following agencies: Center for Medicaid & CHIP Services (CMCS), Substance Abuse and Mental Health Services Administration (SAMHSA), Centers for Disease Control and Prevention (CDC) and the National Institute on Drug Abuse and National Institute on Alcohol Abuse and Alcoholism in the National Institutes of Health (NIH).

Dick Lodge, Esquire and Lauren Gaffney, Esquire who represent Behavioral Health Group shared this bulletin with staff on Friday, August 15, 2014 and advised us that due to a changing regulatory landscape that some modifications might be required to the design of one pending and two previously approved but unimplemented certificate of need projects. The changes would include re-designing interior space so more behavioral therapies could be provided. At this time, no increase in project cost or square footage is anticipated.

The projects are:

BHG Jackson Treatment Center, Jackson (Madison County), TN – CN1405-014
The relocation of the nonresidential substitution-based treatment center for opiate addiction from its current site at 1869 Hwy 45 Bypass, Suite 5 to 58 Carriage House Drive, Suites A&B, Jackson (Madison Co.), TN. The estimated project cost is $1,274,050.00. *Project Status: Pending-The project is scheduled to be heard on Wednesday, August 27, 2014.*

ADC Recovery and Counseling Center, CN1305-018A, has an outstanding Certificate of Need that will expire October 1, 2015. The CON was approved at the August 28, 2013 Agency meeting for the relocation of an existing nonresidential substitution-based treatment center for opiate addiction from 3041 Getwell Road, Suite #101, Building A, Memphis, (Shelby County), TN to 4539 Winchester Road, Building B, Suite 1, Memphis, TN, Memphis (Shelby County), TN 38134. The estimated project cost is **$961,168**. *Project Status: Approved but unimplemented-The project has not yet begun construction.*

Raleigh Professional Associates, CN1305-019A, has an outstanding Certificate of Need that will expire October 1, 2015. The CON was approved at the August 28, 2013 Agency meeting for the relocation of an existing nonresidential substitution-based treatment center for opiate addiction from 2960-B Old Austin Peay Highway (Shelby County), TN to 2165 Spicer Cove, Suite 9, Memphis (Shelby County), TN 38134. The estimated project cost is **$1,136,905**.
Project Status: Approved but unimplemented-The project has not yet begun construction.

I advised Mr. Lodge that since there are no known substantive changes to the scope of the project including square footage or cost, the pending project could go forward and be heard on August 27, 2014. If the relocation is approved and it is later found that that substantial project modifications are needed (typically, more than 10% change in square footage or cost, for example), BHG may petition the agency for a modification of any of the three projects via the General Counsel's Report.

Melanie Hill

From: Lodge, Dick <dlodge@bassberry.com>
Sent: Monday, August 18, 2014 1:50 PM
To: Melanie Hill
Cc: Gaffney, Lauren
Subject: Meeting re: BHG Projects

Melanie--

Thank you for taking the time to meet with us Friday morning regarding our client, BHG. We appreciated the opportunity to talk about the changing regulatory landscape of Medication Assisted Treatment for Substance Use Disorders.

Regarding BHG's pending Jackson project (CN1405-014), we provided you with a letter jointly issued by CHIP/CMS, SAMHSA, CDC and the NIH regarding Medication Assisted Treatment for Substance Use Disorders and the changing regulatory landscape. You agreed to provide this letter to the Agency members and staff before this month's meeting and agreed that BHG could go ahead and present its application to relocate its Jackson OTP this month with the understanding that BHG may eventually need to appear before the HSDA for a modification of the project due to this changing regulatory landscape.

As we also discussed, for the two pending Memphis relocation projects, BHG continues to work towards completion but is in the process of reconfiguring the space to meet the changing regulatory requirements for the treatment of its patients. Currently, there are no anticipated changes in the overall cost or amount of space associated with the Memphis relocations.

Please let us know if you have any questions. Thank you.

Dick

J. Richard Lodge

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Informational Bulletin

DATE: July 11, 2014

FROM: Cindy Mann, Director
Center for Medicaid and CHIP Services

Thomas Frieden, M.D., M.P.H., Director
Centers for Disease Control and Prevention

Pamela S. Hyde, J.D., Administrator
Substance Abuse and Mental Health Services Administration

Nora D. Volkow, M.D., Director
National Institute on Drug Abuse, National Institutes of Health

George F. Koob, Ph.D., Director
National Institute on Alcohol Abuse and Alcoholism, National Institutes of Health

SUBJECT: Medication Assisted Treatment for Substance Use Disorders

The Center for Medicaid and CHIP Services (CMCS) has issued a series of Informational Bulletins on effective practices to identify and treat mental health and substance use disorders (SUDs) covered under Medicaid.[1,2] Nearly 12 percent of Medicaid beneficiaries over 18 have a SUD, and CMCS is committed to helping States effectively serve these individuals.[3] The purpose of this Bulletin is to highlight the use of FDA-approved medications in combination with evidence-based behavioral therapies, commonly referred to as "Medication Assisted Treatment" (MAT), to help persons with SUDs recover in a safe and cost-effective manner. Specifically, the Bulletin provides background information about MAT, examples of state-based initiatives, and useful resources to help ensure proper delivery of these services.

Background

SUDs impact the lives of millions of Americans in the general population, including individuals who are enrolled in the Medicaid program. On average, 105 people die every day as result of a drug overdoses.[4] Additionally, 6,748 individuals across the country seek treatment every day in

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[1] Additional Informational Bulletins on behavioral health can be found at http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Mental-Health-Services-.html

[2] http://www.drugabuse.gov/drugs-abuse

[3] http://store.samhsa.gov/shin/content/SMA13-4757/SMA13-4757.pdf, p.10

[4] Centers for Disease Control and Prevention. Drug Overdose in the United States: Fact Sheet, Home and Recreational Safety, accessed on October 28, 2013 from http://www.cdc.gov/homeandrecreationalsafety/overdose/facts.html.

the emergency department for misuse or abuse of drugs.[5] In 2010, drug overdose was the leading cause of injury death[6] and caused more deaths than motor vehicle accidents among individuals 25-64 years old.[7] The monetary costs and associated collateral impact to society due to SUDs are high. In 2009, health insurance payers spent $24 billion for treating SUDs, of which Medicaid accounted for 21 percent of spending.[8] [9] Therefore, understanding how MAT could reduce the high rates of SUDs and associated costs of medical and SUD treatment is crucial. The use of medications in combination with behavioral therapies to treat SUDs can help reestablish normal brain functioning, reduce cravings, and prevent relapse.[10] The medications used can manage the symptoms of substance use withdrawal that often prompt relapse and allow individuals to utilize other treatments, such as behavioral therapy. In addition, these medications and therapies can contribute to lowering a person's risk of contracting HIV or hepatitis C by reducing the potential for relapse.[11]

Medication assisted treatment is the use of FDA-approved medications in combination with evidence-based behavioral therapies to provide a whole-patient approach to treating SUDs. There is strong evidence that use of MAT in managing SUDs provides substantial cost savings. For instance:

- Persons with untreated alcohol use disorders use twice as much health care and cost twice as much as those with treated alcohol use disorders,[12] and medications treating SUDs in pregnant women resulted in significantly shorter hospital stays for SUD treatment than drug-addicted pregnant women not receiving MAT (10.0 days vs. 17.5 days).[13]

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[5] Centers for Disease Control and Prevention. Drug Overdose in the United States: Fact Sheet, Home and Recreational Safety, accessed on October 28, 2013 from http://www.cdc.gov/homeandrecreationalsafety/overdose/facts.html.

[6] "Injury deaths are those caused by acute exposure to physical agents, e.g., mechanical force or energy, heat, electricity, chemicals, and ionizing radiation, in amounts or at rates that exceed the threshold of human tolerance." From http://www.cdc.gov/nchs/data/nvsr/nvsr54/nvsr54_10.pdf.

[7] Centers for Disease Control and Prevention. Drug Overdose in the United States: Fact Sheet, Home and Recreational Safety, accessed on October 28, 2013 from http://www.cdc.gov/homeandrecreationalsafety/overdose/facts.html.

[8] Substance Abuse and Mental Health Services Administration. National Expenditures for Mental Health Services and Substance Abuse Treatment, 1986–2009. HHS Publication No. SMA-13-4740. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2013.

[9] Substance Abuse and Mental Health Services Administration. National Expenditures for Mental Health Services and Substance Abuse Treatment, 1986–2009. HHS Publication No. SMA-13-4740. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2013.

[10] National Institute on Drug Abuse. (September 2009). InfoFacts: Treatment approaches for drug addiction. Retrieved from http://www.drugabuse.gov/sites/default/files/if_treatment_approaches_2009_to_nida_92209.pdf

[11] National Institute on Drug Abuse. Principles of Drug Addiction Treatment: A Research Based Guide. Third Edition, December 2012, http://www.drugabuse.gov/sites/default/files/podat_1.pdf.

[12] Holder, HD. *Costs Benefits of Substance Abuse Treatment: An Overview of Results from Alcohol and Drug Abuse.* J. Mental Health Policy Econ, March, 1998.

[13] Jones HE, Kaltenbach K, Heil SH, et al:Neonatal abstinence syndrome aftermethadone or buprenorphine exposure. New England Journal of Medicine 363:2320–2331, 2010

- For individuals with alcohol dependence, MAT was associated with fewer inpatient admissions. Total healthcare costs were 30 percent less for individuals receiving MAT than for individuals not receiving MAT.[14]
- Medical costs decreased by 33 percent for Medicaid patients over three years following their engagement in treatment. This included a decline in expenditures in all types of health care settings including hospitals, emergency departments, and outpatient centers.[15]

Studies have shown that prior to alcoholism treatment initiation, total monthly health care costs increased and costs substantially increased during the 6–12 months prior to treatment. Following treatment initiation, monthly total medical care costs declined and the overall trend was downward. Early intervention in the cycle of addiction for younger individuals with SUDs can bring costs down as they have lower pre-treatment costs than older adults with SUDs.[16]

Medication Assisted Treatment

This section provides an overview of the medications and therapies that comprise MAT. These medications fall into two larger categories: medications to treat opioid use disorders and medications to treat alcohol use disorders.

Several medications have been found effective in treating addiction to opioids, alcohol, and nicotine in adults.[17] There are currently no FDA-approved medications to treat addiction to cannabis, cocaine, or methamphetamine.

Medications to Treat Opioid Use Disorders

Three medications have received FDA-approval for treating opioid use disorders:

- ***Methadone*** prevents opioid withdrawal symptoms and reduces craving by activating opioid receptors in the brain. It has a long history of use in treatment of opioid dependence in adults, and is available in specially licensed methadone treatment programs. In some States, opioid-dependent adolescents between the ages of 16 and 18 may be eligible for methadone treatment, provided they have two documented failed treatments of opioid detoxification or drug-free treatment and have a written consent for methadone signed by a parent or legal guardian.[18]
- ***Buprenorphine*** reduces or eliminates opioid withdrawal symptoms, including drug cravings, without producing the euphoria or dangerous side effects of heroin and other opioids. It does

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[14] Baser, o., Chalk, M. Rawson, R. etal. (2001) Alcohol treatment dependence: comprehensive healthcare costs, utilization outcomes, and pharmacotherapy persistence. *The American Journal of Managed Care, 178*(8), S222-234.

[15] Walter, L. et al (2006). *Medicaid Chemical Dependency Patients in a Commercial Health Plan*, Robert Wood Johnson Foundation, Princeton, New Jersey.

[16] Holder, HD. *Costs Benefits of Substance Abuse Treatment: An Overview of Results from Alcohol and Drug Abuse.* J. Mental Health Policy Econ, March, 1998.

[17] This Bulletin will only focus on medications for treating opioid and alcohol disorders. See http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Tobacco.html for detailed information about treating nicotine disorders.

[18] Marsch, L.A. Treatment of adolescents. In Strain, E.C.; and Stitzer, M.L. (eds.) *The Treatment of Opioid Dependence*. Baltimore, MD: Johns Hopkins University Press, pp. 497–507, 2005.

this by both activating and blocking opioid receptors in the brain. It is available for sublingual (under-the-tongue) administration both in a stand-alone formulation and in combination with another agent called naloxone. The naloxone in the combined formulation is included to deter diversion or abuse of the medication by causing a withdrawal reaction if it is intravenously injected by individuals physically dependent on opioids.[19] Physicians with special certification may provide office-based buprenorphine treatment for detoxification and/or maintenance therapy.[20] It is sometimes prescribed to older adolescents on the basis of two research studies indicating its efficacy for this population,[21,22] and has proven efficacy to treat those 16 years and older. More information can be found here and here.

- ***Naltrexone*** is approved for the prevention of relapse in adult patients following complete detoxification from opioids. It acts by blocking the brain's opioid receptors, preventing opioid drugs from acting on them and thus blocking the euphoria the user would normally feel and/or causing withdrawal if recent opioid use has occurred. It can be taken orally in tablets or as a once-monthly injection given in a doctor's office.[23]

In addition to the above medications for opioid use disorder treatment, ***naloxone*** is a medication used to prevent opioid overdose deaths. The medication binds to opioid receptors and can rapidly reverse or block the effects of other opioids. In doing so, naloxone can very quickly restore normal respiration to a person whose breathing has slowed or stopped as a result of heroin use or the misuse of prescription opioids.

Medications to Treat Alcohol Use Disorders

Three medications have received FDA-approval for treating alcohol use disorders:

- ***Acamprosate*** reduces symptoms of protracted withdrawal (i.e., insomnia, anxiety, restlessness, and dysphoria) by normalizing brain systems disrupted by chronic alcohol consumption in adults. It is thought to be more effective in patients with severe alcohol use disorders.[24]
- ***Disulfiram*** inhibits an enzyme involved in the metabolism of alcohol, causing an unpleasant

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[19] Subramaniam, G.A.; Warden, D.; Minhajuddin, A.; Fishman, M.J.; Stitzer, M.L.; Adinoff, B.; Trivedi, M.; Weiss, R.; Potter, J.; Poole, S.A.; and Woody, G.E. Predictors of abstinence: National Institute on Drug Abuse multisite buprenorphine/naloxone treatment trial in opioid-dependent youth. *Journal of the American Academy of Child and Adolescent Psychiatry* 50(11):1120–1128, 2011.

[20] Substance Abuse and Mental Health Services Administration. Physician Waiver Qualifications. Available at: http://buprenorphine.samhsa.gov/waiver_qualifications.html

[21] Woody, G.E.; Poole, S.A.; Subramaniam, G.; Dugosh, K.; Bogenschutz, M.; Abbott, P.; Patkar, A.; Publicker, M.; McCain, K.; Potter, J.S.; Forman, R.; Vetter, V.;, McNicholas, L.; Blaine, J.; Lynch, K.G.; and Fudala, P. Extended vs short-term buprenorphine-naloxone for treatment of opioid-addicted youth: a randomized trial. Journal of the American Medical Association 300(17):2003–2011, 2008. *Erratum in Journal of the American Medical Association* 301(8):830, 2009.

[22] Marsch, L.A.; Bickel, W.K.; Badger, G.J.; Stothart, M.E.; Quesnel, K.J.; Stanger, C.; and Brooklyn, J. Comparison of pharmacological treatments for opioid-dependent adolescents: A randomized controlled trial. *Archives of General Psychiatry* 62(10):1157–1164, 2005.

[23] Fishman, M.J.; Winstanley, E.L.; Curran, E.; Garrett, S.; and Subramaniam, G. Treatment of opioid dependence in adolescents and young adults with extended release naltrexone: Preliminary case-series and feasibility. *Addiction* 105(9):1669–1676, 2010.

[24] http://www.ncbi.nlm.nih.gov/books/NBK64035/

reaction (i.e., flushing, nausea, and heart palpitations) if alcohol is consumed after taking the medication.[25] Compliance can be a problem, but among motivated patients this can be very effective.

- *Naltrexone* blocks receptors involved in the rewarding effects of drinking and in the craving for alcohol similarly to how it blocks the effects of opioids. It reduces relapse of heavy drinking behavior and is highly effective in some but not all patients, where varied outcomes could be due to genetic factors. Naltrexone is available in both oral tablet and long-acting injectable preparations.[26]

Behavioral Therapies

To improve outcomes, the medications discussed above are recommended to be combined with behavioral therapies. Research shows that when treating SUDs, a combination of medication and behavioral therapies is the most effective. Behavioral therapies help patients engage in the treatment process, modify their attitudes and behaviors related to drug and alcohol abuse, and increase healthy life skills. These treatments can also enhance the effectiveness of medications and help people stay in treatment longer. Treatment programs that combine pharmacological and behavioral therapy services increase the likelihood of cessation relative to programs without these services.[27] There are a number of treatment strategies that can be used in combination with medications to successfully address SUDs. These include:

- *Individual therapy, group counseling, and family behavior therapy* each provide different types of support for individuals in recovery from SUDs:
    - Individual therapy can help people learn new skills to maintain a substance-free life, address co-occurring mental health issues, address the benefits of utilizing prescription medication in treatment, and support individuals to pursue meaningful work, school and family goals.
    - Group counseling can help reduce a person's sense of isolation, provide peer support and feedback, and develop social and problem-solving skills.
    - Family behavior therapy provides education, allows family members to express their feelings and concerns, and helps secure the family's support for the person in recovery. More information on family behavior therapy can be found here.
- *Cognitive-behavioral therapy* seeks to help patients recognize, avoid, and cope with the situations in which they are most likely to abuse drugs. More information on cognitive-behavioral therapy can be found here.
- *Motivational enhancement* capitalizes on the readiness of individuals to change their behavior and enter treatment. More information on motivational enhancement can be found at here.

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[25] Niederhofer, H.; and Staffen, W. Comparison of disulfiram and placebo in treatment of alcohol dependence of adolescents. *Drug and Alcohol Review* 22(3):295–297, 2003.

[26] http://www.ncbi.nlm.nih.gov/books/NBK64042/

[27] Center for Substance Abuse Treatment. Medication-Assisted Treatment for Opioid Addiction in Opioid Treatment Programs. Treatment Improvement Protocol (TIP) Series 43. HHS Publication No. (SMA) 12-4214. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2005.

- *Motivational incentives* (contingency management) use positive reinforcement to encourage abstinence from drugs. More information on motivational incentives can be found here.

Information on other behavioral therapies that can be effective when combined with medications for SUD can be found here.

Additional Services

Screening and Management of Co-occurring Physical Health Issues

A significant number of individuals receiving MAT for SUDs also have physical health issues. Many suffer from serious chronic conditions including: diabetes, asthma, HIV/AIDS, Hepatitis C, chronic obstructive pulmonary disease, and severe dental problems. SUDs can cause or exacerbate these chronic conditions; many of the health problems associated with substance use could be managed alongside MAT programs. Providers offering substance use treatment can screen for chronic physical health conditions and provide services onsite (with appropriate primary care supports in place) or make referrals to community providers. Studies have found that integrating care for individuals with a chronic SUD condition with MAT is cost-effective and improves patient care.[28]

Screening and Management of Co-occurring Mental Health Issues

A significant number of individuals with a SUD also suffer from a co-occurring mental health issue; of 21 million adults aged 18 or older in 2012 with a past year SUD, 40.6 percent also had a mental illness.[29] Understanding SUDs and mental health issues interact with each other is important as a co-occurring disorder can complicate recovery if it is not adequately addressed.

Rapidly identifying and addressing a co-occurring mental health issue can help improve MAT outcomes. Similar to screening and management of co-occurring physical health issues, providers offering substance use treatment can screen for mental health issues and provide services onsite (with appropriate mental health professional supports in place), along with referrals to community provider depending on the illness severity and onsite mental health capacity. Screening tools can include the PHQ-9 (Patient Health Questionnaire), the GAD-7 (Generalized Anxiety Disorder), and the Columbia-Suicide Severity Rating Scale (C-SSRS). For more information about screening tools, please visit here.

Strategies for Managing Medication Assisted Treatment

Many state Medicaid programs utilize processes to help manage the prescribing of addiction medications and delivery of evidence-based behavioral therapies. States should ensure that these strategies are consistent with the Mental Health Parity and Addiction Equity Act, when

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[28] Center for Substance Abuse Treatment. *Medication-Assisted Treatment for Opioid Addiction in Opioid Treatment Programs*. Treatment Improvement Protocol (TIP) Series 43. HHS Publication No. (SMA) 12-4214. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2005

[29] Substance Abuse and Mental Health Services Administration, *Results from the 2012 National Survey on Drug Use and Health: Mental Health Findings*, NSDUH Series H-47, HHS Publication No. (SMA) 13-4805. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2013.

appropriate.[30] Medicaid programs may use the following strategies to support access to this benefit.

- *Preferred Drug List (PDL):* A state Medicaid agency or contracted managed care organization (MCO) designates a medication as a preferred or non-preferred drug, indicating those drugs that providers are permitted to prescribe without seeking prior authorization for payment coverage. If a drug is not included on the PDL, the provider must obtain approval from the state Medicaid agency before the drug will be paid for by the Medicaid agency or the agency's vendor. When a new drug enters the market, it typically has a non-preferred status until the drug can be reviewed by the Pharmacy and Therapeutics Committee. Before a drug's review and placement on a preferred drug list, a patient's prescriber is able to prescribe a non-preferred drug through a state's prior authorization process. This allows prescriber flexibility to prescribe the most effective medication while ensuring appropriate systems measures are in place to manage the benefit.
- *Prior Authorization:* In order for a Medicaid beneficiary to have prescribed medications paid for by the Medicaid agency or contracted MCO, the prescriber must obtain permission from Medicaid or the agency's vendor. Each state Medicaid program has different policies in place for which medications require prior authorization. Prior authorization criteria should reflect evidence-based standards for appropriate medical use of the pharmaceutical in question.
- *Documentation of Behavioral Therapy*: A state Medicaid agency or contracted MCO may require evidence that the patient seeking an FDA-approved addiction medication is being referred to or has already started to receive behavioral therapy services along with their medication. Presently, 20 states and the District of Columbia require documentation of behavioral therapy with use of buprenorphine-naloxone and 18 states for the use of injectable naltrexone.[31] Care should be used to avoid making such requirements unduly burdensome such that they effectively limit appropriate access to pharmacotherapy.
- *Quantity Limits:* A state Medicaid agency or contracted MCO may impose quantity limits on certain medications as a way to ensure that it is not overprescribed. As many of these medications bind to the same receptors in the brain as other drugs, quantity limits exist to prevent overprescribing leading to abuse, overdose or diversion of the medications[32]. A state must have developed standards for applying these limits that are evidenced based and include the medical necessity criteria used for determining any limit. A state must have developed standards for applying these limits that are evidenced based and include the medical necessity criteria used for determining any limit.
- *Duration Limits*: A state Medicaid agency or contracted MCO may impose duration limits on certain medications as a way to ensure that it is not overprescribed. As many of these medications bind to the same receptors in the brain as other drugs, duration limits exist to prevent overprescribing leading to abuse, overdose or diversion of the medications. Similar

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[30] http://www.medicaid.gov/Federal-Policy-Guidance/downloads/SHO-13-001.pdf

[31] Substance Abuse and Mental Health Services Administration. (2013). Medicaid Coverage And Financing Of Medications To Treat Substance Use Disorders. Rockville, MD: Center for Substance Abuse Treatment, Substance Abuse and Mental Health Services Administration.

[32] Quantity limits should comport with MHPAEA requirements sets forth in statute and policies regarding CMS to ensure appropriate access to benefits.

to quantity limits, states must have the necessary evidence and medical necessity criteria for imposing limits on the duration of these medications. Setting limits on the length of medication-assisted treatment can affect retention and outcomes. Medication-assisted treatment should be continued as long as the treatment is medically necessary and the individual participates in treatment as set forth in their treatment plan. [33]

- *Provider Selection and Credentialing*: Both state and federal regulations establish guidance regarding who can provide certain prescription medications and in what setting the medication can be administered. Any additional stipulations imposed by state Medicaid agencies or contracted MCO should avoid excluding primary care providers and care sites where comorbid problems may be managed concurrently when otherwise established guidance regarding access and safety are satisfied.
- *Drug Utilization Reviews:* The drug utilization review (DUR) process occurs prospectively and retrospectively of a drug being dispensed. The prospective DUR, which occurs prior to a drug being dispensed, may involve a Medicaid agency or its claims processor reviewing documentation of claims against a clinical database containing an individual's prior pharmacy history to determine whether any problems or issues exist, including duplication of prescriptions and incompatibility with other prescriptions. If an issue is found, a review of the enrollee's care, prescriber's practice or pharmacy practice can occur, along with limits placed on a prescription being filled until the issue is resolved. The retrospective DUR is a review process occurring after the drug has been dispensed. It may include a review of individual patient profiles for follow-up and intervention. It may also involve a review of the aggregate claims data to identify patterns in prescribing whether it be underutilization or overutilization, from which the Medicaid agency or its designee can make recommendations for future prescribing. There is no established stepped approach to therapy with any of the pharmaceuticals discussed here. The pharmacotherapy must be matched to the needs of the individual at the time of the assessment.
- *Patient Review and Restriction Programs:* If a Medicaid agency finds that a beneficiary has utilized Medicaid services at a frequency or amount that may not be medically necessary, as determined in accordance with utilization guidelines established by the State, the agency may restrict that beneficiary for a reasonable period of time to obtain Medicaid services from designated providers only. Some States have implemented Patient Review and Restriction programs (PRRs) to address possible patient overuse of physician services and prescription drugs. Medicaid programs may only impose restrictions if they give patients notice and an opportunity for a hearing, ensure that restricted patients still have reasonable access to Medicaid services, and exempt emergency services from the restriction.

State-Based Initiatives

MAT can be an effective strategy for addressing the needs of individuals who have a SUD. Policies regarding MAT and implementation practices that combine these medications with supportive counseling vary considerably across states. Many states are experimenting with

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[33] Medication-Assisted Treatment for Opioid Addiction in Opioid Treatment Programs. Rockville (MD): Substance Abuse and Mental Health Services Administration (US); 2005. Treatment Improvement Protocol (TIP) Series, No. 43. http://www.ncbi.nlm.nih.gov/books/NBK64164/

different strategies to encourage the implementation and availability of MAT. States that have implemented strong evidence-based MAT programs tend to support financing and care provisions structures that provide pharmacological, medical, counseling and other supports within an integrated physical health and behavioral health system. The examples below highlight select state-based efforts to implement MAT.

Vermont

In Vermont, MAT for opioid addiction was implemented for methadone and buprenorphine in 2002. Vermont incentivized implementation of buprenorphine by funding online training for physicians to obtain the additional DEA registration (also known as the "X-number") to prescribe buprenorphine and other technical assistance to physicians. To improve the coordination of care for individuals struggling with opioid addiction issues and to facilitate MAT use, Vermont has developed a proposal for a health home model, called the *Hub and Spoke* model.

The *Hub and Spoke* model consists of two levels of care, with the patients' needs determining the appropriate level. Individuals with complex addictions and co-occurring substance abuse and mental health conditions will receive care through a *Hub*, or specialty treatment center responsible for coordinating care across the health and substance abuse treatment systems of care. Less clinically complex patients who require MAT but not methadone will receive treatment within the *Spoke* system. A *Spoke* is an integrated care system comprised of a prescribing physician and collaborating health and addictions professionals who provide assistance with obtaining a medical home, monitor adherence to treatment, coordinate access to recovery supports, and provide counseling, contingency management, and case management services. This model is incorporated in Vermont's 1115 Waiver program and in their proposed 2703 health home program. Additional information on Vermont's MAT approach can be found here and here.

Rhode Island

In Rhode Island, the state received approval for their 2703 person-centered health home provision focused on opioid dependent Medicaid beneficiaries who are currently receiving or who meet criteria for MAT. Working with opioid treatment providers (OTPs) as the health home providers allows for heightened contact between medical and clinical professionals who have on-going therapeutic relationships with patients. This will enable providers to use existing and enhanced resources to improve the health of patients and decrease inadequate/ineffective medical care. Each individual is assigned to a team, which may be specialized to their specific healthcare needs. Patients have an assigned nurse and case manager to monitor their healthcare needs; assist with referral, scheduling, and transportation to medical and other appointments; develop a health plan; provide health promotion and wellness activities; facilitate transitions between levels of care; support recovery needs; and identify and provide resources that support wellness and recovery. The Rhode Island health home model aims to provide a mechanism to support stronger, formalized relationships between OTPs and community healthcare providers. Additional information on Rhode Island's MAT approach can be found here.

Texas

Since February of 2011, qualified physicians and Chemical Dependency Treatment Facilities are able to bill the Texas Medicaid and Healthcare Partnership for MAT. Texas legislation clearly articulated that medication should be available to manage withdrawal/intoxication from all classes of abusable drugs. To this end, the state has established procedure codes and modifiers that provide guidance to MAT providers. Additional information regarding Texas' approach to covering MAT in Medicaid can be found here and here.

Ohio

In July of 2012, the Ohio Medicaid program began to cover MAT as a component of its Medicaid program. Similar to Texas, Ohio's Medicaid program allows certain facilities and qualified practitioners to provide MAT. In addition, the Ohio Department of Mental Health and Addiction Services developed protocols for MAT going beyond use of methadone, with specific standards of practice for buprenorphine and buprenorphine/naloxone products. Additional information regarding Ohio's coverage of MAT can be found here and here.

Resources

Opioid Treatment Program Directory

http://dpt2.samhsa.gov/treatment/directory.aspx

Medication-Assisted Treatment For Opioid Addiction in Opioid Treatment Programs Inservice Training

Provides a training program for substance abuse treatment counselors and other clinicians on medication-assisted treatment for opioid addiction. Covers basic principles, best practices, history, and regulation. Includes scripted modules and handouts.

http://store.samhsa.gov/product/Medication-Assisted-Treatment-for-Opioid-Addiction-in-Opioid-Treatment-Programs/SMA09-4341

Opioid Overdose Prevention Toolkit

Equips communities and local governments with material to develop policies and practices to help prevent opioid-related overdoses and deaths. Addresses issues for first responders, treatment providers, and those recovering from opioid overdose.

http://store.samhsa.gov/product/SMA13-4742?WT.mc_id=EB_20130828_SMA13-4742

TAP 30: Buprenorphine: A Guide for Nurses

Gives nurses information about buprenorphine for medication-assisted treatment of addiction to opioids and guidelines for working with physicians to provide office-based screening, assessment, supervised withdrawal (detoxification), and maintenance treatment.

http://store.samhsa.gov/product/TAP-30-Buprenorphine-A-Guide-for-Nurses/SMA09-4376

TIP 40: Clinical Guidelines for the Use of Buprenorphine in the Treatment of Opioid Addiction

Practice guidelines help physicians make decisions about using buprenorphine to treat opioid addiction. Includes information on patient assessment; protocols for opioid withdrawal; and the treatment of pregnant women, teens, and polysubstance users.

http://store.samhsa.gov/product/TIP-40-Clinical-Guidelines-for-the-Use-of-Buprenorphine-in-the-Treatment-of-Opioid-Addiction/SMA07-3939

TIP 43: Medication-Assisted Treatment for Opioid Addiction in Opioid Treatment Programs

Gives a detailed description of medication-assisted treatment for addiction to opioids, including comprehensive maintenance treatment, detoxification, and medically supervised withdrawal. Discusses screening, assessment, and administrative and ethical issues.

http://store.samhsa.gov/product/TIP-43-Medication-Assisted-Treatment-for-Opioid-Addiction-in-Opioid-Treatment-Programs/SMA12-4214

TIP 49: Incorporating Alcohol Pharmacotherapies Into Medical Practice

Provides clinical practice guidelines for using four medications in the medication-assisted treatment of alcoholism and alcohol abuse: acamprosate, disulfiram, oral naltrexone, and extended-release injectable naltrexone. Also discusses patient management.

http://store.samhsa.gov/product/TIP-49-Incorporating-Alcohol-Pharmacotherapies-Into-Medical-Practice/SMA13-4380

General Principles for the Use of Pharmacological Agents to Treat Individuals with Co-Occurring Mental and Substance Use Disorders

Offers general principles to assist in the planning, delivery, and evaluation of pharmacologic approaches to support the recovery of individuals with co-occurring disorders. Covers engagement, screening, assessment, treatment planning, and continuity of care.

http://store.samhsa.gov/product/General-Principles-for-the-Use-of-Pharmacological-Agents-to-Treat-Individuals-with-Co-Occurring-Mental-and-Substance-Use-Disorders/SMA12-4689?WT.ac=EB_20120607_SMA12-4689

Principles of Drug Addiction Treatment: A Research-based Guide (3rd Edition)

Presents research-based principles of addiction treatment for a variety of drugs, including nicotine, alcohol, and illicit and prescription drugs, that can inform drug treatment programs and services.

http://www.drugabuse.gov/publications/principles-drug-addiction-treatment

Principles of Adolescent Substance Use Disorders: A Research-Based Guide

Presents research-based principles of adolescent SUD treatment; covers treatment for a variety of drugs including, illicit and prescription drugs, alcohol, and tobacco; presents settings and evidence-based approaches unique to treating adolescents.

http://www.drugabuse.gov/publications/principles-adolescent-substance-use-disorder-treatment-research-based-guide